

WEATHER — PARIS: Monday, rain, Temp. 2-12 (34-54).
London: overcast with rain, Temp. 4-11 (50-61).
ANKFURT: Monday, rain, Temp. 5-14 (55-67). NEW
RK: Monday, cloudy, Temp. 5-12 (41-54).

ADDITIONAL WEATHER DATA — PAGE 12

No. 30,713

INTERNATIONAL

Herald Tribune

Published with The New York Times and The Washington Post



Walking alongside his wife, Navy Capt. Richard H. Truly, was as he left the shuttle with Air Force Col. Joe H. Engle.

NASA Experts Declare Shuttle Trip a Success

From Agency Dispatches

HOUSTON — U.S. space experts, encouraged by a largely successful second flight of the space shuttle Columbia, were looking forward Sunday to a new era of space travel.

Col. Joe H. Engle of the Air Force and Capt. Richard H. Truly of the Navy brought the Columbia, the first used vehicle to orbit the Earth, to a landing Saturday at Edwards Air Force Base in California at 1:23 p.m. local time.

"The bird is real solid, a good solid bird all the way," Col. Engle, the commander, radioed minutes before touching down in the Mojave Desert.

While the failure of a fuel cell forced the pilots to terminate the flight three days early, after 54 hours and 76 revolutions of the Earth, officials of the National Aeronautics and Space Administration pronounced Columbia's second mission a success. By

cramming more work in on Saturday, they said, the astronauts met all of their major objectives. NASA officials thus were planning for future voyages, confident that the shuttle could make repeated excursions into orbit.

The Columbia was to remain in California for further inspections before being flown piggyback on a Boeing 747 to the Kennedy Space Center in Florida to begin preparations for its next trip into space.

The flight lasted two days, six hours and 13 minutes. The original goal was 124 hours and 83 orbits. Space agency officials decided Friday to play it safe and cut the flight short. They said the fuel cell problem should not affect schedules for the final two test flights, in March and June.

Managers of the program have said repeatedly that they consider Columbia to be a research and development vehicle and that (Continued on Page 2, Col. 7)

(Continued on Page 2, Col. 7)



The space shuttle Columbia left a trail of dust as it touched down Saturday on the desert floor at Edwards Air Force Base in California. A chase plane followed the shuttle as it returned to Earth.

Israelis Again Reject Saudi Plan Despite Comment on Recognition

From Agency Dispatches

JERUSALEM — Israel on Sunday reaffirmed its opposition to Saudi Arabia's eight-point Middle East plan, saying its views had not been changed by a Saudi diplomat's remarks that the plan recognized Israel's existence.

Cabinet spokesman Arich Naor was asked to comment on a statement by Gafar Allagany, a high-ranking Saudi official at the United Nations, who said that the plan "does recognize Israel." Mr. Allagany made the remark to The New York Times and repeated it to Reuters.

Mr. Naor said: "The Israeli government's position remains unchanged. Prime Minister Menachem Begin has said the Saudi plan is a design to annihilate Israel by stages. The plan has not changed and there is no reason for us to change our mind."

The plan says all nations in the region have the right to live in peace, but it does not mention Israel by name. Israeli officials have said Israel's policy would not be based on "this or that interpretation of Saudi Arabia's eight-point plan."

The proposal also is meeting with resistance among Arabs. Leaders of the Palestine Liberation Organization were unable to adopt a definitive stand on the proposal at a meeting Friday night. But a spokesman said that there had been agreement to "categorically" reject the implied recognition of Israel contained in the Saudi plan.

A close aide of Prime Minister Begin said the Saudi plan could not be the basis for peace talks. "As Premier Begin has stated several times in the past, if any Arab leader wants peace with Israel he

Haig Sees Strains on China Ties

Arms for Taipei May Widen Gap

By Bernard Gwertzman

New York Times Service

WASHINGTON — Secretary of State Alexander M. Haig Jr. says that relations between the United States and China face "a very worrisome period" in the near future because of the issue of possible U.S. military sales to Taiwan.

In the Reagan administration's most candid statement to date about the growing difficulties it is facing with Peking over Taiwan, Mr. Haig on Saturday told an audience in Palm Beach, Fla., that "in the period ahead it is going to be essential to both Peking and the United States to handle this particular question with great sensitivity and care."

The Chinese have warned that if the United States supplied Taiwan with advanced fighter aircraft or other sophisticated equipment, it could lead to a sharp deterioration of relations with Washington.

As a sign of Peking's disquiet, the Chinese have delayed sending a military mission to Washington to discuss possible arms purchases of their own. The Chinese, according to U.S. officials, have said they would not do so until the United States made known what it would do about supplying military equipment to Taiwan.

The Columbia was to remain in California for further inspections before being flown piggyback on a Boeing 747 to the Kennedy Space Center in Florida to begin preparations for its next trip into space.

Mr. Haig discussed the issue Saturday in a question-and-answer session before The Round Table, a Palm Beach organization; the discussion was broadcast to reporters in Washington over a closed-circuit system at the State Department.

Mr. Haig said that a nine-point proposal by the Chinese government on Sept. 30 for unification was "rather remarkable."

"They call for peaceful integration, they recognize federalism in

(Continued on Page 2, Col. 7)



The police fire water cannons at demonstrators at Frankfurt airport.



Some protesters try to stand their ground against water cannons.

Key Role in Interview Is Attributed to Allen

By Tracy Dahlby

Washington Post Service

TOkyo — The Japanese journalists who handled the U.S. national security adviser Richard V. Allen \$1,000 after they had an interview with Nancy Reagan say they originated the idea of a thank-you payment intended for Mrs. Reagan. But they said Mr. Allen

The White House reportedly limits budget director David A. Stockman's power. Page 3.

was deeply involved in making arrangements for the interview.

Fuyuko Kamisaka, a free-lance writer who conducted the interview for Shufumotomo magazine, said Saturday that she visited Mr. Allen at his invitation two days before the Jan. 21 interview to discuss the arrangements with him.

She said Mr. Allen introduced her briefly to President-elect Reagan, who, she said, assured her that the interview would take

Mr. Allen issued a statement in Washington Saturday asserting that he had not asked for or expected an honorarium in connection with the interview, and he said he did nothing more than pass onto others the request for an interview that came to him from "the wife of a friend of many years' standing."

The Justice Department is investigating.

The executive editor of Shufumotomo (The Housewife's Companion) said that his company took the initiative in arranging the fee, an established form of thanks from Japanese weekly and monthly magazines.

The money was given to Mr. Allen by one of the three women present at the interview with Mrs. Reagan. Mr. Allen said Friday he gave the cash to a secretary, who put it in an office safe where it lay forgotten for eight months.

Executive editor Tsugio Takami said in a telephone interview Saturday that he had tentatively fixed the figure of \$1,000 in discussions during the first week of January with deputy editor Yoshiko Kimoto after Miss Kamisaka approached the magazine in December and proposed the interview.

While awaiting approval of the interview request, which had been sent by letter to the White House, Miss Kimoto reported: "I was asked by a Japanese go-between what the gratuity would be. When I told this person we were thinking about \$1,000, the go-between replied, 'That's fine.'"

Miss Kimoto refused to identify the go-between, although she did not deny that it was Chizuko Takei, the third member of their party. Mrs. Takei and her husband reportedly have been long-standing friends of Mr. Allen. "I leave that up to your imagination," Miss Kimoto said.

In Washington, a White House official identified the woman mentioned by Mr. Allen in his statement as Mrs. Takei.

Miss Kamisaka, who conducted the interview in the company of

Police Quell Airport Riots In Frankfurt

The Associated Press

FRANKFURT — Nearly 4,000 demonstrators built barricades, set them afire and held sit-ins Sunday to block vehicular traffic around Rhine-Main International Airport for nearly seven hours, officials said. Air traffic continued unabated.

Officials brought in several hundred riot police by helicopter and used water cannons, tear gas and clubs to force demonstrators from the area.

Protesting the construction of a third runway at the airport, the demonstrators also blocked the passage of the underground subway leading from the city to the airport for several hours by occupying the station under the airport.

The protesters parked cars at the major highway intersection near the airport and the police towed the abandoned vehicles away. Demonstrators, some wearing helmets and masks, threw stones at the police.

The fighting on the roads leading to the airport blocked traffic along the major north-south highway for several hours. The police reported that a 74-year-old woman who had a heart attack died in an ambulance that was blocked by the traffic.

Official gave no immediate figures, but witnesses said dozens of police and demonstrators appeared to have been injured and that hundreds of demonstrators had been taken away in police vehicles.

It was after they arrived at Blair House across from the White House, according to Miss Kamisaka, that Mr. Allen introduced them to President-elect Reagan.

In a separate telephone interview, Miss Kamisaka said she also met Mr. Allen at Blair House on the same occasion. She confirmed that she handed an envelope containing the thank-you fee to someone in Mrs. Reagan's party at the end of the Jan. 21 interview.

"I had such a case of stage fright and all the men around me looked so big," she said, "that I couldn't tell who was who. When the interview was over, I thought I must give the money to someone, so I just handed it to a tall man. I don't remember what he looked like."

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New Violence Hits N. Ireland After MP Slain

From Agency Dispatches

BELFAST — A teen-ager was killed early Sunday and five other persons — including two policemen — were shot in a night of violence in Northern Ireland following the slaying of a hard-line Protestant member of the British Parliament and the bombing of the London home of Britain's attorney general.

The Provisional wing of the Irish Republican Army claimed responsibility for both the Belfast attack on the member of Parliament and the London bombing at the end of one of the bloodiest weeks of its campaign aimed at ending British rule of Northern Ireland.

Britain's top Northern Ireland official, James Prior, appealed Sunday to civilians not to seek revenge.

"Keep calm," Mr. Prior, the Northern Ireland secretary, declared after conferring for two hours Sunday with security chief at Stormont Castle, the British administrative headquarters here. "I beg the people of Northern Ireland to leave it to the police and army ... Don't take things into your hands."

Killings Called Reprisal

Early Sunday, a Roman Catholic youth was shot and killed near his home by gunmen on a motorcycle in what his family described as a reprisal by Protestant extremists for the death Saturday of the Ulster member of Parliament, Rev. Robert Bradford.

In another violence Saturday night and Sunday, a sniper wounded two policemen in the Republican Unity Flats, and three other men were injured in shootings. Three persons were killed and five injured in attacks on British and Ulster Protestant security forces in Northern Ireland earlier last week.

Harold McCusker, one of the 12 Northern Ireland members of the British Parliament, called Sunday for a one-hour work stoppage throughout Northern Ireland during Mr. Bradford's funeral on Tuesday.

Leaders Confer

Describing the British administration as "inert," Mr. McCusker contended that London's recent decision to set up a consultative council with the Catholic Republic of Ireland contributed to the latest wave of attacks by the mainly Catholic Irish Republican Army. Northern Ireland has a majority of Protestants.

"Far from waging the terrorists, it is motivating them. They think they're winning," Mr. McCusker said in a radio interview.

Mr. Bradford, a 40-year-old Protestant Ulster Unionist member of Parliament from south Belfast best known for demanding summary execution of captured Catholic nationalists, was shot seven times by several gunmen as he talked to elderly pensioners at his weekly meeting with constituents in a south Belfast community center.

The gunmen also shot and killed the community center's youth worker, Ken Campbell, as he rushed to Mr. Bradford's side.

Bradford Accused

The gunmen pushed past screaming young people, who were attending a dance in the next room, and escaped in a waiting car as Mr. Bradford's bodyguard fired his gun at them, according to police and witnesses.

In a statement by its Belfast bri-

Algeria	5,010 Dr. lira	135 Rpf.	Nigeria	100 K.
Austria	15.5.1000	15.17.000	Norway	450 Nkr.
Bahrain	0.600 Dr.	100 Lir.	Chile	0.600-1.000
Belgium	20 Lfr.	100 Fr.	China	40 Ba.
Canada	1.000 Dr.	400 Fr.	Costa Rica	6.000 Dr.
Cyprus	400 Dr.	100 Fr.	Saudi Arabia	5.50 Rials
Denmark	1.50 Dkr.	100 Fr.	Iraq	1.50 Dkr.
Egypt	25 L.	100 Fr.	Iceland	4.50 Dkr.
Finland	4.50 Dr.	100 Fr.	Iceland	4.50 Dkr.
France	2,000 F.	100 Fr.	Iceland	4.50 Dkr.
Germany	5,000 DM.	100 Dr.	Iceland	4.50 Dkr.
Great Britain	30 P.	500 Dr.	U.S. Mil. Env.	50 Dlr.
Greece	40 Dr.	250 Fr.	Yugoslavia	50 Dkr.

INSIDE

U.S.-India Dispute

The United States and India appear headed for a messy and damaging dispute over nuclear affairs following the failure of negotiations aimed at arranging an amicable end to their 18-year-old atomic power relationship. Page 4.

was also the fire user in Kenya at the far earlier time, but no fossil remains of these ancient hominids have actually been found at Chesowanja. Instead, anthropologists have found there traces of other ancient hominids called Australopithecus, an extinct species not considered directly related to the human lineage.

The authors said the evidence strongly suggests that Australopithecus was not the fire builder, but they admitted that this conclusion makes it difficult to explain what these ancient hominids were doing there. Australopithecus, having a brain capacity estimated at only about three quarters of Homo erectus, became extinct roughly a million years ago.

Thousands in Madrid Protest Arms Build-Up, Membership in NATO

By James M. Markham
New York Times Service

MADRID — Madrid on Sunday joined other West European capitals that have witnessed large disarmament demonstrations, with a rally that accentuated Spanish concerns over the future of the country's precarious democracy and its imminent incorporation into NATO.

"What will the allied countries of NATO say when they see that a half a million people have gathered in Madrid to say that they do not want to go into NATO without a referendum?" the 39-year-old Socialist leader, Felipe González, rhetorically asked a cheering multitude in the heart of the Complutense University campus.

The Madrid Civil Governor's Office disputed the organizers' claim that 500,000 people attended the festive rally and rock concert, putting the figure at 100,000. But, whatever the true number, the demonstration was one of the biggest held in Spain since the death of Franco in 1975.

On Oct. 29, the lower house of the Cortes voted 186 to 146 in favor of Premier Leopoldo Calvo-Sotelo's proposal to bring Spain into NATO. Mr. González, the opposition leader, announced during the debate that his party, the sec-

ond largest in the legislature, would hold Sunday's rally to press for a popular referendum on the question.

Since the parliamentary vote, reports of fresh unrest in the ultra-conservative Spanish military establishment have heightened fears of a coup attempt, which Mr. González and other orators echoed Sunday.

"Once again we hear rumors of threats to our national coexistence," Mr. González, who was the keynote speaker, warned, "and of people who want to return to the past. We want to live in peace. We do not want war, in Spain, or outside Spain."

The protest drew an eclectic collection of supporters, running from the Socialists and Communists and their respective unions to anarchists, feminists, homosexuals and fringe-left groups, who overflowed a muddy field waving banners and chanting slogans against NATO and calling for the removal of U.S. military bases from Spain.

Under a huge poster bearing the slogan "for peace, for disarmament and for liberty," popular radio personalities, including several who have just been removed from their posts in a government shake-up of the state broadcasting corporation, alternately presented rock and folk bands, read communiques, summoned parents to retrieve lost children and introduced speakers.

The crowd was mainly a mixture of young people and older working-class supporters of the country's two main leftist parties. As the chief organizers, the Socialists seemed to set the tone for much of the rhetoric, which on international issues were carefully balanced attacks on the United States with critical references to the Soviet Union.

"It is the same to us whether a missile comes from the East on its way to the West, or from the West on its way to the East," said Mr. González, evoking the specter of nuclear war. "We protest if a people like Afghanistan is invaded, and we protest if there are interferences or pressures on the peoples of Nicaragua, Guatemala, El Salvador or Cuba."

Since last month's NATO vote, Mr. González, who had been accused by party radicals of merely testimonial opposition to Spanish entry into the alliance, seems to have hardened his position. On Sunday he virtually promised that a Socialist government would remove Spain from the Atlantic pact after holding a referendum.

The Senate, which is controlled by the government Union of the Democratic Center, is expected to approve the NATO decision in the next few weeks.



Demonstrators on the Complutense University campus in Madrid carry a banner saying "No Thanks" to a nuclear war. The message was written between effigies of Presidents Reagan and Brezhnev. The Socialist rally Sunday was intended to promote "peace, disarmament and liberty."

Solidarity in Silesia Seeks Candidates for Local Ballots

By Brian Mooney
Reuters

WARSAW — Leaders of the Solidarity union in the major industrial region of Silesia have called on their members to start selecting candidates for local government elections.

The instructions issued by the Silesian branch and published in its information service amounted to a challenge to the existing electoral procedures. Under these procedures, all candidates for electoral office are chosen by the Communist-controlled national unity front.

Poland's Communist leaders have talked of expanding the generally discredited body into a new front of national accord and promised that it would not be just another meaningless facade. How far they are prepared to go in devolving power could be determined by their response to the Silesian initiative.

Local elections are due early next year and will provide the first nationwide balloting since the formation of Solidarity in August, 1980.

Solidarity is committed to free local elections and wants to raise the issue when it begins major talks with the government in Warsaw on Tuesday.

The Silesian Solidarity resolution called on all local branches to complete a registration of possible

candidates for local government bodies by the end of the year.

"The duty of all members of Solidarity is to contribute in a proper way to the holding of the elections, which must ensure that the best citizens are chosen," the resolution said.

The term of office of the present local councils expires on Feb. 5, 1982.

The authorities and Solidarity have both moved to calm the strike front in anticipation of Tuesday's talks, and by Sunday it looked as if they had largely succeeded, with the only remaining pockets of unrest involving students and farmers.

Dairy farmers called off a threatened strike and the mining minister signed an agreement with miners in Sosnowiec.

The minister, army Gen. Czeslaw Piotrowski, agreed that the miners would receive strike pay and promised an investigation into a gas-throwing incident that led to the stoppage.

The authorities maintained the policy of combining toughness and conciliation. Two leading Communists reiterated over the weekend that the use of force to resolve Poland's crisis could not necessarily be excluded forever.

But Deputy Premier Mieczyslaw Rakowski said that the policy was correct and challenged extremists in both Solidarity and the Communist Party to suggest a better alternative.

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Suspect Held By French in Terror Cases

Reprisals Threatened
By Armenian Group

By Joseph Fitchett
International Herald Tribune

PARIS — France is holding for investigation a man suspected of being an important member of a little-known Armenian underground organization that has puzzled police in many countries while claiming dozens of terrorist operations.

The extremist group — the Armenian Secret Army for the Liberation of Armenia — has threatened reprisals against French diplomats and Air France flights unless the man is released. Threats by this group are taken seriously, a French police spokesman said Sunday.

Earlier it was unclear whether the French authorities would hold the man, who was traveling on a Cyprus passport which gave his name as Dimitri Giorgi and his age as 33. He was arrested last Wednesday at Orly airport in Paris while attempting to catch a flight to Beirut.

Police found in his possession notices by the Armenian Secret Army claiming responsibility for terrorist operations against Turkish diplomats. He was also carrying press clippings about an attack on the Turkish consulate in Paris in late September.

Reportedly, the man has a partially healed bullet wound in his shoulder. In Rome last month, a Turkish diplomat managed to wound an Armenian gunman in the shoulder before being shot himself. The gunman escaped.

U.S. said that during recent talks in Washington between Mr. Haig and the Chinese foreign minister, Huang Hua, the Chinese emphasized that Taiwan was the key issue between the two sides. The officials said that the Chinese told them that Taiwan could continue to receive U.S. arms at the level of sophistication that is already present on Taiwan, but that any increase would lead to a major setback in Peking-Washington relations.

Commitment Sought

Moreover, the Chinese have said they want a commitment that U.S. military supplies to Taiwan will continue only for a fixed period, about five years, and will diminish in quantity yearly.

Such a demand is contrary to the Taiwan Relations Act, passed by Congress after President Jimmy Carter announced formal recognition of China commencing on Jan. 1, 1979. That act obliges the United States to supply Taiwan with military equipment to meet its legitimate defensive needs, and there is no time limit.

The administration is discussing

Taiwan's request to upgrade its fighter aircraft. Taiwan has U.S. F-5E fighters, and in the past has expressed interest either in the F-16, the F-16-79, or an improved F-5, known as the F-5G.

Mr. Haig said in testimony before the House Foreign Affairs Committee on Thursday that no decision, even in principle, had been made on the question of advanced fighters.

"It is an extremely sensitive question in Peking," he said Thursday, "and we have to proceed with utmost respect for that sensitivity."

Spanish Fishing Boat Sinks

LA CORUNA, Spain — The 160-ton Spanish fishing boat Aldebaran sank in heavy seas about 40 miles (64 kilometers) off the northwestern Spanish coast Saturday and all five crewmen were reportedly missing, authorities said.

Five Turkish diplomats have been murdered in Paris since 1973, and six members of the Armenian Secret Army are in French prisons.

Controversial pro-Armenian

statements have recently come from two Cabinet ministers in France's Socialist government — Interior Minister Gaston Defferre and Defense Minister Charles Hernu. They are parliamentary representatives, respectively, of Marmande and Villeurbanne, cities with large communities of Armenians whose ancestors fled from Turkey after hundreds of thousands of Armenians were killed and others were forcibly resettled during World War I.

Anonymous phone calls over the weekend brought new threats from the Armenian Secret Army — this time, to blow up an Air France flight in midair if "Giorgi" is not released. Security was tightened at Orly airport on Sunday.

France has been more entangled than any other European country in the struggle between Armenian urban guerrillas and Turkey. Turkey has demanded more protection for its diplomats in France, while Armenian activists have accused French police of collaborating with Turkish agents.

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Anonymous phone calls over the weekend brought new threats from the Armenian Secret Army — this time, to blow up an Air France flight in midair if "Giorgi" is not released. Security was tightened at Orly airport on Sunday.

France has been more entangled than any other European country in the struggle between Armenian urban guerrillas and Turkey. Turkey has demanded more protection for its diplomats in France, while Armenian activists have accused French police of collaborating with Turkish agents.

Five Turkish diplomats have been murdered in Paris since 1973, and six members of the Armenian Secret Army are in French prisons.

Controversial pro-Armenian

statements have recently come from two Cabinet ministers in France's Socialist government — Interior Minister Gaston Defferre and Defense

Pearl Harbor: Historians Split on What U.S. Knew

By Edwin McDowell
New York Times Service

NEW YORK — Forty years after the Japanese air attack on Pearl Harbor, on Dec. 7, 1941, writers and researchers are still arguing over whether Washington had advance knowledge of that Sunday morning attack, which plunged the United States into World War II.

"At Dawn We Slept," by the historian Gordon W. Prange, to be published posthumously later this month by McGraw-Hill, argues that neither the evidence nor common sense justifies any other conclusion than the one reached in nine official investigations between Dec. 11, 1941, and July 15, 1946.

That conclusion is that the administration of President Franklin D. Roosevelt did not know in advance about the attack, which left more than 2,300 Americans dead and many warships and planes destroyed or damaged.

But two other books due to appear soon argue the opposite.

Shift in Toland View

John Toland, who won a Pulitzer Prize in 1971 for "The Rising Sun," a book about the war in the Pacific, asserts in "Infamy," which Doubleday is to publish in March, that well before the Japanese attack, Washington knew that Japanese carriers were heading for Pearl Harbor. This is a shift from Mr. Toland's view in "The Rising Sun," in which he expressed doubt that Roosevelt knew that the Japanese were coming.

In a telephone conversation from his home in Connecticut, Mr. Toland said he still disagreed with the position of "revisionists" who contend that Roosevelt was a "villain."

"He didn't hurt the Japanese into attack," the author said. "He just knew they were coming and allowed it for the national good." John Costello, a British historian, argues in "The Pacific War" (Rawson, Wade) that Roosevelt and his Cabinet made a commitment to enter the war on Nov. 26, 1941, before the Pearl Harbor attack, when a message was received in Washington, most likely from Winston Churchill, the British prime minister, that the Japanese were going to attack within two weeks.

Mr. Costello said that Roosevelt and Henry L. Stimson, the secretary of war, concealed the nature and origin of that information.

3,500-Page Manuscript

All three books are said to be based on official and unofficial sources. Mr. Toland said he also received "documentary evidence from a friendly nation."

Six months before Mr. Prange died, in May, 1980, Donald Goldstein, associate professor of public and international affairs at the University of Maryland, and Katherine V. Dillon, both of whom had been his students at the university, took over the task of editing the author's four-volume, 3,500-page manuscript on which he worked for 37 years down to its present 873 pages.

They had intended to drop the five chapters on the "revisionists" but on hearing of the Toland and Costello books decided to condense those sections into a 12-page appendix that briefly summarizes and disputes the major revisionist arguments.

Roosevelt did not plan the attack; Yamamoto planned it, 11 months in advance," Mr. Goldstein said, referring to Adm. Isoroku Yamamoto, Japan's naval commander. The admiral "even threatened to resign if the Japanese didn't do it," Mr. Goldstein said.

In the conclusion to the book, Mr. Goldstein and Miss Dillon said that Roosevelt made mistakes in 1941, as did almost everyone else involved in the Pearl Harbor episode.

"But in a thorough search of more than 30 years, including all publications released up to May 1, 1981," they write, "we have not discovered one document or one word of sworn testimony that substantiates the revisionist position on Roosevelt and Pearl Harbor."

U.S. Interior Secretary and His Opponents Reap Profits From Environmental Combat

By Philip Shabecoff
New York Times Service

WASHINGTON — Under the circumstances, Interior Secretary James G. Watt might be the best thing that could have happened to the nation's environmental groups. And vice versa, as it is turning out.

In maneuvering through this city's political labyrinth, finding the right enemies is often as important as finding the right friends. It appears that Mr. Watt and the environmentalists could hardly have asked for more rewarding adversaries.

Unrelenting criticism by the environmentalists, members of Congress and news organizations has transmogrified Mr. Watt into a martyr of the Republican right and one of his party's most successful fund-raisers. Thanks to his adversaries, he is more in demand as a speaker at Republican rallies than other Cabinet colleagues.

The environmental groups, aghast at Mr. Watt's boldly proclaimed policy of shifting the thrust of U.S. land management from conservation toward accelerated development of resources, began attacking him even before he took office. He became a symbol of the Reagan administration's environmental policy and a focal point of environmentalists' resistance.

The environmental groups discovered that their fight with James Watt was an excellent base on which to build membership and fund-raising drives. Money and membership applications began to pour in.

"This is the best year in Sierra

Regan In China For Trade Talks

The Associated Press

PEKING — U.S. Treasury Secretary Donald T. Regan said Sunday he hopes U.S.-China trade talks here this week will enhance private investment on the Chinese mainland.

Mr. Regan is leading the U.S. delegation to the second annual meeting of the U.S.-China Joint Economic Committee. U.S. Treasury officials have said they hope to start talks in Peking soon on an income tax treaty that would include agreement on aviation and shipping earnings taxes.

Regan told reporters meeting him at the airport he hopes the commission will "deepen relations, especially private investment," in China.

Guatemala Guerrillas Slay 23, Military Says

United Press International

GUATEMALA CITY — Guerrillas have reportedly killed 23 peasants in a western Guatemala town and shot up a luxury car with submachine-guns fire, killing a wealthy rancher, his wife and another woman in Guatemala City.

Military officials said leftist guerrillas were responsible early Friday for the slaying of 23 peasants in the town of Joyabaj, but gave no details of the alleged leftist involvement.

Strict Limits Reportedly Placed On Stockman Testimony, Power

By William J. Eaton
New York Times Service

WASHINGTON

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U.S. Rapid Deployment Force Unit Drops Into Egypt for War Games

By Loren Jenkins
Washington Post Service

WESTERN DESERT, Egypt — A reinforced battalion of crack paratroopers have parachuted into the Egyptian desert after a nonstop flight from the United States in the most ambitious test of the two-year-old U.S. Rapid Deployment Force.

The airdrop Saturday, the first exercise of a series of joint Egyptian-U.S. military maneuvers here called Operation Bright Star 82, coincided with the conclusion of the 40-day Moslem mourning period for Anwar Sadat, who had helped plan the exercises aimed at training U.S. and Egyptian troops to react to any threat in this volatile region.

Within hours after the airdrop of 865 men from the 82d Airborne Division and their 180 tons of equipment into a desert landing zone 40 miles northwest of Cairo, Jihan Sadat, Sadat's widow and her four children, accompanied by the self-proclaimed shah of Iran, Reza Pahlavi, visited the temporary tomb of the late Egyptian president in the Cairo suburb of Nasr for private prayers.

Sadat's successor, President Hosni Mubarak, delivered a

speech urging Egyptians to join forces for national reconciliation and to bring about the sort of economic and industrial reforms that might stifle the Moslem fundamentalist terrorism that led to Sadat's assassination on Oct. 6.

The world is watching us closely, fearing that the causes for which Sadat lived may be threatened by his death," the Egyptian president said. "But words are not enough. We must honor the memory of Sadat by translating his dream and hope into action. This is our challenge, we must not fail."

The exercise, part of a month-long operation that involves 4,000 Americans in Egypt and 2,000 in exercises in Sudan, Somalia and Oman, had been preceded by a 10,000-foot night airdrop of a team of Special Forces Green Berets and an Air Force Command Control Team to secure the landing zone.

Saturday morning, after a squadron of A-10 Thunderbolt-II tactical fighter bombers had staged 10 minutes of runs over the sandy drop zone, a flight of two dozen C-130s and C-141 Starlifters — six of which had flown with 602 paratroopers of

the 82d Division's second battalion, 14 hours nonstop, from Fort Bragg, N.C. — swooped in over the desert to disperse their men and materiel in a near-perfect parachute drop that lasted barely six minutes. They then linked up with a battalion of the mechanized 24th Infantry that had flown into Egypt, with its M-60 tanks and M-113 armored personnel carriers coming by sea.

After watching from a reviewing stand a mile from the drop zone, Lt. Gen. Robert C. Kingman, the head of the Rapid Deployment Force, said, "It was a good exercise, a good drop."

He said that while in an emergency it would take four full days for a similar force to be flown to the area, he could put one airborne battalion into the region "within 24 hours."

The significance of the exercise was that for the first time since the Rapid Deployment Force was created March 1, 1980, it had managed to fly a full combat contingent overseas and land it ready to fight. Only one vehicle, a Gamma Goat, was damaged in the drop when its parachute failed to open properly.

A major, whom the military refused to identify immediately,



United Press International

U.S. troops landing near Cairo for the start of military exercises in the desert.

broke a hip, and two other paratroopers were slightly injured in landing.

The marathon flight was deemed a successful test of the Rapid Deployment Force's newly developed scheme to avoid "jet lag" for its fighting troops during long flights overseas.

U.S. military officials here said the airborne troops were "programmed" for the transatlantic flight by gathering them early at Fort Bragg, where they were quickly put on Egyptian

time and sleep and feeding schedules. In the air during the night they were given a high-carbohydrate diet as soon as they boarded their planes, then allowed to go to sleep for eight hours on bunks while the plane's temperature was raised to 80 degrees to induce sleep. Hours before reaching Egypt they were awakened, fed a high-protein diet of ham omelets and fruit, rigged for parachuting and dropped.

The airborne and mechanized

infantry battalions will spend the week in small-unit training operations with their Egyptian counterparts and exchange tactics and compare equipment with Egyptian units. Later this month the 4,000-man U.S. force will join a similar force of Egyptians in two days of maneuvers in the Western Desert that will be highlighted by a live, low-level bombing run by a squadron of B-52 bombers flying nonstop out of Minot Air Force base in North Dakota.

U.S. and India Remain Split on Terms Ending 18-Year Nuclear Pact

By Don Oberdorfer
Washington Post Service

WASHINGTON — The United States and India appear headed for a messy and damaging nuclear divorce following the failure of negotiations last week aimed at arranging an amicable end to their 18-year-old, atomic-power relationship.

While the two sides made public only a bland and noncommittal communiqué Friday, official sources confirmed that senior U.S. and Indian representatives made no progress in their talks at the State Department on Thursday.

The negotiations were the third in a series of fruitless efforts over the last seven months to find a formula for ending the 1963 pact under which the United States has supplied atomic fuel and know-how for India's nuclear power reactor at Tarapur, near Bombay. India is balkling at retaining international safeguards on nuclear fuel supplied by the United States.

Possibility Remaining

With India telling the United States that time is running out on negotiations, about the only remaining possibility for agreement hinges on separate visits to New Delhi within the coming month by Assistant Secretary of State James L. Malone, who was the highest-ranking U.S. negotiator in the nuclear-pact talks, and by Secretary of State Alexander M. Haig Jr.

Mr. Malone is to take advantage of a previously scheduled meeting of the U.S.-India Science and Technology Commission from Dec. 7 to Dec. 9 to try again to end the disagreement. Mr. Haig is scheduled to visit India in mid-December on a trip that will also take him to Belgium, Pakistan, Sri Lanka and Morocco.

Since the Reagan administration's first talks with India on the issue, last April in Washington, the United States has expressed willingness to cancel the Tarapur pact. The Carter administration, which was divided on the issue, was able to continue selling fuel to India only after presidential intervention with Congress and a narrow victory in the Senate.

Officials from the two countries have signed four cooperation agreements including one creating a high-level group that will conduct regular consultations on energy questions, particularly in the areas of coal, hydro-electricity, hydrocarbons and new energy sources.

The agreements, signed by the Indian foreign minister, P.V. Narasimha Rao, and Claude Chevson, the French minister for external relations, also provide for joint exploitation of several Indian mines, a French spokesman said.

Other accords cover technical, scientific and industrial cooperation on environmental matters and in petroleum and petrochemical areas.

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Aiding Third World

Under its new Socialist government, France has been spearheading a global effort to help underdeveloped nations get their economies on track.

This stance has found favor with the Indians, and the communiqué said the two countries will work together closely for the establishment of a new international economic order.

Without making any direct allusion to the presence of Soviet troops in Afghanistan or the crisis in Cambodia, the communiqué also said: "France and India deserve [foreign] interference, and particularly in countries incapable of constituting by themselves a threat to anyone."

The French External Affairs Ministry announced that Mrs. Gandhi had invited Mr. Mauroy to visit India. A similar invitation already had been extended to the French president, the ministry said.

U.S. Wears on Relations

The United States has made it clear, according to reports, that Indian renunciation of the nuclear pact without agreement on confirming safeguards could seriously damage the already-troubled relationships between the countries.

The failure in the Indian negotiations could also set back the Reagan administration's policies on atomic-weapons proliferation.

Phiusch a French Citizen

PARIS — Leonti Phiusch, a mathematician and a human rights activist who spent three years in a Soviet psychiatric hospital before being expelled to the West in 1976, has been granted French nationality together with his wife and son, the government journal said Saturday.

Such an outcome, in the U.S. view, could be a painful blow to international efforts to police the uses of nuclear fuel and curb the spread of nuclear weapons.

The practical and political consequences in South Asia could be serious, adding momentum to a nuclear-weapons race between India and Pakistan. The global consequences could be equally dismal because of the precedent it sets: It would be the first case of international safeguards being dropped after once being in place under a negotiated agreement.

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Skilled Workers, Professionals Are Leaving Argentina

By Edward Schumacher
New York Times Service

Buenos Aires — It was the promised land in South America, and for more than a century immigrants from Europe flowed here just as they did to the United States.

But because of economic turmoil and political uncertainty, Argentina is losing people, with emigration draining the country of skilled workers, technicians and professionals.

U.S. officials report that immigration inquiries have risen 50 percent in recent months to more than 200 a week. Inquiries about Canada, a new mecca for Argentines, have increased by five times in just a year at a similar level, Canadian officials said.

The Spanish, Italian, Australian and Brazilian embassies report that immigration applications are up sharply, too.

Many simply leave on tourist visas, hoping to find work and join legally or illegally — the more than two million Argentines already living abroad.

Almost all those seeking to leave are of European stock.

Argentina's problems have been festering for 40 years. Only one elected government has finished its term in that time and there have been more than 30 economic ministers and a continual flip-flop of policies.

Argentina once surpassed Australia in income and development until World War II. Today it is far behind both despite similar resources.

The common refrain here, despite the stagnation, was "there is food," especially the thick steaks, crunchy French bread and mixed salads that are a staple in a country that is one of the world's leading exporters of meat and grains.

The refrain has a caustic ring now. The balloon of an overheated economy burst early this year. Inflation is at more than 100 percent; the peso is worth less than one-fourth what it was in dollars at the beginning of the year, and unemployment has risen to between 600,000 and 1.5 million people, depending on who is doing the figuring.

After almost six years of military rule, the government of President Roberto Eduardo Viola is shaky as rumors persist of plots within the military, and civilian politicians clamor ever more loudly for elections, raising the likelihood of a confrontation.

Argentines have emigrated before, but mainly during revolutions. Emigration experts here say the present exodus is different and the largest yet.

"Now they are emigrating for physical substance," said Alberto Bonis, a sociologist. "The country has become neutotic, frightened by

problems for Professionals

They also include people such as Oscar Ricardo Pous, a 27-year-old unmarried electrical engineer who has obtained a Canadian residence visa. He works in a management job here because there is a shortage of the sort of technical jobs and advanced training he wants. "All engineers want to build and develop," he said.

Professionals are among the hardest hit. Ten percent of the registered doctors are reportedly not practicing. Of 50,000 registered engineers, 10,000 are out of the country and 8 percent of those remaining are unemployed, according to the Center of Argentine Engineers.

Untapped Resources

The Committee to Stimulate Argentine University Graduates and Students Abroad, a private body that works with the government to attract its citizens back, says almost half the expatriates are trained technicians or university educated.

"It is a great hurt to the country," said Moises Margolis, president of the committee. "We cannot offer the work to keep them here."

Yet Argentina has one-third the

Bourguiba's Illness Raises Succession Issue in Tunisia

By Pranay B. Gupte
New York Times Service

TUNIS — With Tunisia's 80-year-old president reported to be seriously ill with an undisclosed illness, politicians are increasingly concerned with the problems of succession.

One of the problems is that Habib Bourguiba, the president for life, is said to have blocked potential successors or rivals from gaining independent positions of prominence.

It is unclear whether Mohammed Mzali, a former Arabic professor who was sufficient support in the ruling Destourian Socialist Party to be nominated to succeed Mr. Bourguiba.

The premier, under Tunisian law, would become acting president if Mr. Bourguiba's death imminent an election could be held.

Open Elections

Party sources say that Mr. Mzali, 55, has been undercut by rivals such as Public Works Minister Mohammed Sayah and Interior Minister Driss Guiga.

They were reported to have opposed Mr. Mzali when he asked Mr. Bourguiba to allow opposition groups to run in the national election Nov. 1 for the first time since Tunisia became independent from France in 1956.

The ruling party and its electoral ally, the Tunisian labor union federation, won all 136 seats in the new assembly, and Ahmed Mestiri, head of the opposition Movement of Social Democrats, accused the interior minister of rigging the balloting. In addition, the public works minister was accused by opposition groups of sending party militiamen to intimidate voters. The officials denied the charges.

"We were hoping that the election process would be a process toward a democratic democracy," Tayeb Bacchouche, the secretary-general of the labor federation, said in an interview. "But now I don't think there will be any effective power-sharing by the Bourguiba regime."

6 Suspects Arrested In Milan Police Murder

Reuters

MILAN — Two men were arrested minutes after a police officer was shot to death in Milan's central railway station.

The men declared themselves political prisoners and members of the Prima Linea, Front Line, guerrilla group. Police sources said notes and addresses found on them Friday led to the arrests Saturday of two couples in connection with the murder.

Senegal and Gambia Announce Details of Confederation

By Thomas Kamm
International Herald Tribune

PARIS — Senegal and Gambia have signed an agreement that unites the two nations in a confederation called Senegambia, according to a joint communiqué published this weekend. The two nations had announced plans three months ago to form such a confederation, but had not until now spelled out its details.

Under the agreement, Senegal and Gambia remain sovereign states, but are integrating their security forces and their communications network. In addition, they have formed an economic and monetary union and will coordinate their foreign policies.

The pact was signed Saturday by President Abdou Diouf of Senegal and President Dawda K. Jawara of Gambia at the end of a three-day official visit to Gambia by Mr. Diouf. Senegal's president becomes president of Senegambia, and Sir Dawda is the vice president of the confederation. However, Amadou Cisse, Senegal's ambassador to France, emphasized in an interview Sunday that the two nations continue to exist as separate entities and that "Gambia remains a sovereign state for everything that has not been confederated."

Although the idea of an association between Gambia, a tiny Eng-



Habib Bourguiba

... in 1972

Libya Denounces Exxon's Pullout as Illegal, But Its Oil Company Says Talks Are Possible

From Agency Dispatches

BEIRUT — Libya has accused Exxon, the world's largest oil company, of breaching a contract and violating Libyan law by relinquishing its concessions in Libya. But Libya's national oil company said the dispute might be resolved through negotiations.

Exxon announced Thursday in New York that it had notified the Tripoli government Nov. 4 that it was pulling out of Libya, where it once produced an average of 100,000 barrels of oil a day. Mobil Corp. said Friday it had been in discussions with Libya about its operations in the country, and a spokesman said, "We are studying the entire situation."

The Libyan Oil Ministry, in a statement issued Saturday by the official news agency JANA, confirmed Saturday that it had received the notice from Exxon. The ministry said that the two companies, both of which are

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Phony Chinese Business Exposed

Bribes, Gifts Opened Doors to High Officials

By Michael Parks

Los Angeles Times Service

PEKING — Chen Mingxiao seemed like one of the men who would lead the modernization of China — a senior engineer with 30 years experience in industry, director of a chemical research institute with a distinguished academic background, a Communist Party member for four decades, a man with the confidence of his superiors, a man who got things done.

But Mr. Chen was also a fraud, and Friday he was publicly unmasked.

His research institute, established in 1977 in Henan province south of Peking had rapidly developed contracts with dozens of factories on ways to use cereal wastes, such as rice husks and cobs, in the manufacture of chemical products. It had also signed contracts with foreign companies to export those products and import new equipment.

For his efforts, Mr. Chen, 57,

was granted the title of professor and promoted. His salary was raised almost equal to that of a deputy minister and he had all the perquisites of that rank. He had wide and easy access to top levels of the party and state leadership, not only in Henan but also in the capital.

But his Fufur Research Institute was a front that he and two confederates established. (Fufur is a colorless, sweet-smelling oily liquid, produced from corncobs and other cereal wastes and used as a solvent in making dyes, lacquers and synthetic resins.)

The party newspaper People's Daily reported Friday that all of Mr. Chen's activities were a huge confidence scheme that duped senior officials for four years.

The most serious fraud case since the establishment of the People's Republic of China, the official Chinese news agency declared, reporting Mr. Chen's arrest and

police efforts to unravel the scandal.

Mr. Chen's activities, the agency said, had "created very serious political consequences and caused very serious economic losses to the country," and perhaps what was most worrying was how easily he had duped many top officials with his glib proposals and a few presents.

According to the reports, Mr. Chen once was a worker at a chemical dye factory, but he was not a graduate engineer. His diploma was counterfeit; his academic credentials were faked. He had even been put in a labor camp for six years beginning in 1958 after his negligence at a factory had caused many accidents. He had not joined the Communist Party in 1958 to fight the Japanese invasion, but had actually been a major in the Nationalist Army.

His research institute and an attached factory he established had no researchers, no technicians, no equipment. The only employees, it seems, were Mr. Chen, his friends and the children of officials whose support he needed.

France's Socialist government has promised wide-ranging reforms to correct the traditional economic and social disadvantages of the Melanesians, but it has indicated that independence could come only through a democratic vote.

NOUMEA, New Caledonia — New Caledonia's main independence movement has announced that it will try to establish a series of separate Melanesian regions throughout the South Pacific island group as a first step toward declaring independence from France.

Leaders of the Union Calédonienne said the program, to be carried out during the coming year, would include occupation of land held by European settlers.

The policy was decided on Saturday by a three-day Union Calédonienne congress, attended by 300 delegates, in Lifou, one of the Loyalty Islands off the east coast of New Caledonia's main island, Grande-Terre.

It marks a radicalization of the union that — like other independence movements here — has become more extreme since the murder two months ago of Pierre Declercq, the union's secretary-general.

Union leaders said the Melanesian regions would be established by next Sept. 24, the 127th anniversary of French annexation of the nickel-rich territory.

New Caledonia's 60,000 Melanesians are outnumbered by a combination of 50,000 Europeans and 30,000 Polynesians and other peoples that favor continued links with Paris.

Because of this, a democratic vote in favor of independence is practically impossible, and observers said the decision appeared to be an attempt to exploit the greater strength of the Melanesians in rural areas.

France's Socialist government has promised wide-ranging reforms to correct the traditional economic and social disadvantages of the Melanesians, but it has indicated that independence could come only through a democratic vote.

Japan Mob Enters U.S. West, Senate Panel Report Finds

By Robert L. Jackson

Los Angeles Times Service

WASHINGTON — Members of a Japanese crime syndicate are beginning to appear in Los Angeles, San Francisco and Las Vegas, triggering fears by law enforcement authorities that the group may be moving into U.S. heroin sales, according to a Senate subcommittee report.

The study, prepared by staff members of the permanent investigations subcommittee of the Senate Government Affairs Committee, describes the syndicate — known as the Yakuza — as "modern-day successors to the ancient samurai warrior class."

Referring to "growing Yakuza interest in the heroin trade," Senate staff investigators Eleanor J. Hill and Jack Key say law enforcement officials "now believe that Japanese organized crime is successfully filtering large amounts of Yakuza money into legitimate business enterprises" in the mainland United States, in Honolulu and elsewhere.

The study, which Ms. Hill and Mr. Key prepared for current hearings by the Senate panel into international drug trafficking, has been supported by testimony from the Los Angeles Police Department.

Involvement in Los Angeles

Lt. Richard W. Wright, representing the organized crime intelligence unit of the Los Angeles police, told the subcommittee Thursday that "the Yakuza in Los Angeles have been involved in both legitimate and illegitimate enter-

prises." He said the latter include narcotics, gun-smuggling, prostitution and extortion.

"They have laundered money through legitimate businesses," Lt. Wright said. "So far their activities have generally been limited to the Japanese business community and the Japanese tourist trade."

Lt. Wright would not give specific instances because police investigations are continuing. In an interview after his testimony, he said police have observed about 20 suspected Yakuza members or associates in Los Angeles.

"It's a relatively new phenomenon in the Los Angeles area," he told the committee.

Lt. Wright said that "the potential is definitely there" for Yakuza members to seize a share of the billion-dollar heroin trafficking market that originates in Southeast Asia. But the lack of a U.S. distribution network has hampered them, he said.

Police have problems in investigating the Yakuza, Lt. Wright testified. He said his department had very few officers capable of interviewing Japanese informants.

There's a lack of rapport with Japanese national groups for the purpose of gathering intelligence," he added.

The Senate staff study said an estimated 108,000 Yakuza members operate more or less openly in Japan, although heroin trafficking has not been a major activity there. However, organized crime "effectively controls" the distribution of methamphetamine, or stimulants, in Japan, the report said.

Yet he had it accredited despite the opposition of the national corporation to which it was supposedly attached. He had it registered to do business within China and abroad. He managed to open tightly controlled bank accounts giving him access to foreign exchange. And then he started to sign contracts that apparently ran into millions upon millions of dollars, all based on turning cereal wastes into valuable organic chemical compounds.

Mr. Chen used a wide network of contacts built up over the years within the chemical industry and even in the upper reaches of the government and party itself, the news agency said.

He maintained these contacts with frequent and lavish banquets, with jobs for officials' children, loopholes in present laws and regulations, and many gifts and bribes.

"Every time Chen came to Peking," a news agency commentator wrote, "he would bring a lot of gifts — peanuts, sesame oil, dates, nutmeg, chicken, dog meat and rabbit."

The news agency said that in four years Mr. Chen had defrauded more than 50 organizations and 200 government and party officials.

For all that, he apparently took relatively few of the millions of dollars he might have had access to. He raised his salary from the equivalent of \$38 a month, the average wage of a factory worker, to \$140, close to what a department head in an industrial ministry is paid, and treated himself to the privileges such a minister would have, but not much more.

High Soviet Defense Ministry Official, Mikhail Grigoriev, Is Reported Dead

Network of Contacts

MOSCOW — Col. Gen. Mikhail Grigoriev, 64, who was once second in command of Soviet strategic rocket forces, has died, the military newspaper Krasnaya Zvezda reported.

Gen. Grigoriev was first deputy commander-in-chief of Soviet strategic rocket forces for 13 years and later held a senior post inside the central apparatus of the Defense Ministry, the paper said.

Antonio Dovali Jaime MEXICO CITY (AP) — Antonio Dovali Jaime, 76, director of

Ukrainian Activist Reportedly Jailed

Associated Press

MOSCOW — Alexander Paritsky, a prominent Ukrainian Jewish activist, has been sentenced to three years in a labor camp after being convicted of slandering the Soviet state, friends of his family said.

The 43-year-old electronics engineer was sentenced Friday after a three-day trial in the Ukrainian city of Kharkov, the friends said Saturday.

Mr. Paritsky, who was arrested Aug. 28, was reported to have played a leading role in organizing school programs for college-age Jews who were denied admission to state universities after their parents applied to emigrate to Israel. Mr. Paritsky, his wife and their two daughters, had applied unsuccessfully to emigrate there in 1977.

BOLOGNA (AP) — Giovanni Benelli, 90, the founder of the Benelli motorcycle dynasty, died in a local hospital Friday after a brief illness, his family reported. The Benelli factory, which he opened in Pesaro in 1911, produces rifles and motorcycles.

Al Momaday

JEMEZ SPRINGS, N.M. (AP) — Al Momaday, 68, an American Indian artist who won international recognition for his oil paintings of Indian cultural themes, has been found dead in his home, apparently of natural causes, police said.

Yosef Kremerman

TEL AVIV (AP) — Yosef Kremerman, 56, a confidant of Prime Minister Menachem Begin since they served together in the anti-British underground, died Thursday of a heart attack, officials said. Mr. Kremerman, who after independence became a wealthy industrialist, was elected to the Knesset in 1959 and served as treasurer of the Herut or Liberal Party in Mr. Begin's ruling Likud coalition.

Giovanni Benelli

It did not say whether the men were British or American. But it said they had close ties with both the White House and the United Nations and, "on at least one occasion, helped write a speech for a former American vice president," who was not identified.

Washington Gets More Samples Of Alleged Hanoi Toxic Weapon

By William Branigin

Washington Post Service

BANGKOK — The U.S. Embassy here has received new samples of alleged toxic substances that, if tests prove positive, could show that Vietnamese occupation forces used chemical weapons against Cambodian guerrillas as recently as last week.

The samples were collected by members of the ousted Khmer Rouge forces in southwestern Cambodia near the Thai border and passed to the U.S. Embassy through intermediaries, a diplomat said. He said a brief note with the materials, which include leaf samples with brownish stains, said an airplane dropped the chemicals on a Khmer Rouge area on Nov. 10.

The note from the Khmer Rouge did not elaborate.

The samples, now sealed inside a diplomatic pouch marked with warnings against contamination, are being sent to the United States for tests, the diplomat said.

Although official Khmer Rouge battle claims and public charges of Vietnamese atrocities in Cambodia are usually given little credibility here, the diplomat said samples of chemical warfare substances collected by the Khmer Rouge have proved genuine in the past.

One such sample, he said, was among the new "physical evidence" announced by the State Department earlier last week.

The note's brief description of the alleged chemical warfare incident resembled accounts of "yellow rain," the supposedly poison-

UN investigators left with some specimens of alleged chemical warfare contamination that were given to them and some alleged specimens that they collected themselves.

Spain Communists Suspend Deputies

The Associated Press

MADRID — The provincial committee of the Spanish Communist Party in Madrid suspended five municipal deputies from their city hall posts and warned them if they did not resign from their duties by Monday they would be expelled from the party.

The suspensions Saturday were made two days after the Communist Party expelled six members of its Central Committee, including five municipal deputies from their city hall posts and warned them if they did not resign from their duties by Monday they would be expelled from the party.

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Reagan's Real Problem

The political and economic history of the last two years can be acidly summarized in the answer to one question, which was asked in January, 1980, during the first Republican debate of the presidential campaign: "How can any president curb inflation, cut taxes, increase defense spending and balance the budget all at the same time?" John Anderson gave an answer that has survived to haunt the Reagan administration: "It's very simple. You do it with mirrors."

Now the mirrors have broken.

However contrite David Stockman is, his revelations in *The Atlantic Monthly* prove the accuracy of the Anderson insight. The metaphors have changed; Stockman speaks of Trojan horses and greedy hogs. But the meaning is the same: The administration has known for months that its economic policy cannot work — but has pretended to the public that it could.

Now the public knows the truth, too, and with any sort of luck Reagan will be forced to face his problem.

The problem is not what to do about David Stockman, damaged credibility and all. That is minor compared with the real problem: what the president should do about his economic program. Will the administration finally devise a program that responds to the truth, or to political pretense?

There is still time, but not much. The greatest risk is that when the current recession ends — probably around mid-1982 — fiscal and monetary policy will again be on a collision course. That could usher in another stunted recovery and yet another Reagan recession.

That is a grim scenario, but not farfetched. The administration has wisely abandoned

trying to balance the budget by 1984. But it is not clear that the deficit will shrink even by then. If this prospect does not improve by the time the recession ends, the Federal Reserve Board will weigh in again with high interest rates to beat inflation back — and cut the recovery short.

The only way out for Reagan is the way Stockman has urged on him for months: Get serious about the deficit.

The place to begin is defense, which the budget director thinks may yield \$30 billion in waste. The case has not been made for spending \$20, \$30 or \$40 billion on the B-1 bomber. In the civilian area, the president will have to face up to trimming the growth of entitlement programs, particularly Social Security and federal pension plans.

Cutting spending alone won't be enough. Swallowing his pride, the president needs to plan now for new taxes once the recession ends, starting with new excise taxes on cigarettes and alcohol: user fees for those who benefit from harbors, waterways, airports and irrigation projects; a gasoline tax to encourage conservation.

He could also pull off his shelf a plan to close \$20 billion of tax "loopholes" that Stockman prepared earlier this year. What better time to chip away at unjustified and inefficient tax subsidies like the oil-depletion allowance and at least some part of the home-mortgage interest deduction?

David Stockman's story demonstrates that such ideas are not welcome at the White House. Reagan clings, or pretends to cling, to the economic theory that lowering taxes is enough to raise the tide, and all the boats. But now the tide is out — and so is the truth.

THE NEW YORK TIMES.

View to Space and Back

Few questions are as enticing, as able to seduce our minds into timeless delight and fantasy, as one of the oldest: Are we here on Earth really alone in the universe? And if we are, why did it happen on this planet, and how did it happen? Is the miraculous phenomenon of life that is everything to us possibly just a one-time experiment in an otherwise empty cosmos?

But science is edging closer to partial answers. The latest in a series of reports by the Space Science Board of the National Academy of Sciences (*Origin and Evolution of Life — Implications for the Planets: A Scientific Strategy for the 1980s*) reveals some surprising progress.

The board reports, first of all, that on the basis of studies of the information sent back by the Viking missions to Mars, "we conclude that Mars is no longer a target for the direct search for life in the solar system" and "there is no evidence for current life on Mars." And because there is "strong evidence" that none of the other planets of their satellites provide appropriate conditions, "We view the search for present life in the solar system as completed."

On the other hand, the chemical precursors of life, especially molecules containing the key element carbon, have been found elsewhere in the solar system, in comets, asteroids, interstellar space and in the atmospheres of the outer planets and their satellites. Studies of these still largely unexplored

THE WASHINGTON POST.

parts of space may tell us a lot about what is necessary for the beginning of life. And there is still the hope that "although we are probably alone in the solar system, we may not be alone in the universe."

It is to the study of our own planet, the Space Science Board believes, that science must turn to unravel further the mysteries of life. Satellite technology and remote sensing techniques for the first time make it possible to do this. Scientists now believe that life does not passively fit itself into an acceptable physical environment. Instead, recent studies lead them to think that life can alter and has profoundly altered the physical characteristics of this planet — its atmosphere, solid surface and water. Therefore, concludes the board, a major scientific goal of the coming decades "becomes the untangling of the dynamic processes that maintain Earth as a planet and sustain life."

That research will lead in two directions: to an understanding of our past and to the hope of maintaining a healthy planet in the future. Far more than other forms of life, human technology can alter the planet's ability to sustain life — and may already be doing so, perhaps in irreversible ways. The board mentions deforestation, the accumulation of wastes and the rapid extinction of species as examples. Planetary research may eventually make it possible to predict, and possibly to control, these and other trends.

THE WASHINGTON POST.

On Big Steel's Big Club

Barely a year after Big Steel pushed the Carter administration to give it more protection against imports, the industry is back asking for more. But this time it's pounding on the door of an administration pledged to free-market competition.

The industry carries a big club: a long-standing legal right to ask for compensatory tariffs whenever it can prove that foreigners are "dumping" steel in America at below-cost prices. So the Reagan administration, like its predecessors, is caught between what is legal and what is best.

Commerce Secretary Malcolm Baldrige approaches the problem with welcome sensitivity. To head off new complaints by domestic steel companies, he is preparing to file several of his own, charging European governments with dumping or with unfair export subsidies. But his aim is not to engage the Europeans in a nasty trade war; he hopes to gain time to work out an informal accord with them.

The stakes in this contest are high. The industrial world, even before the current recession, had excess steelmaking capacity, and American producers are handicapped by aging plants and costly labor contracts. European governments are under severe political pressure to keep their mill workers employed. And the rising value of the dollar encourages them to move in on the American market.

When U.S. steelmakers demanded tariffs on imports in 1977, the Carter administration beat back the threat by introducing a

THE NEW YORK TIMES.

"trigger" system, which puts an artificial floor under import prices. That resulted in higher prices for American autos, bridges and railroad cars. The only real winners were the steel companies and their workers, who preserved contracts that give them wages at least 50 percent higher than those of other industrial workers.

President Carter was forced to raise the trigger prices again a year ago, this time to prevent suits against European imports. But the producers are still not satisfied; even those new trigger prices, they say, no longer keep out illegally priced imports.

The task before Baldrige is twofold. He needs somehow to pacify the industry without forcing the hard-pressed Europeans into retaliating against American goods. In theory there is room to maneuver. Governments on both sides of the Atlantic stand to gain if they can gradually eliminate excess and inefficient steel production. But it is also imperative that the American government quit pampering steel or any other industry by underwriting management mistakes and excessive labor costs.

Big Steel will benefit enough from this year's reductions in corporate taxes and delays in the imposition of costly environmental standards granted earlier. For all this, it owes the nation more than inflationary wages and political problems with Europe. The law may be on the industry's side. The equities are not.

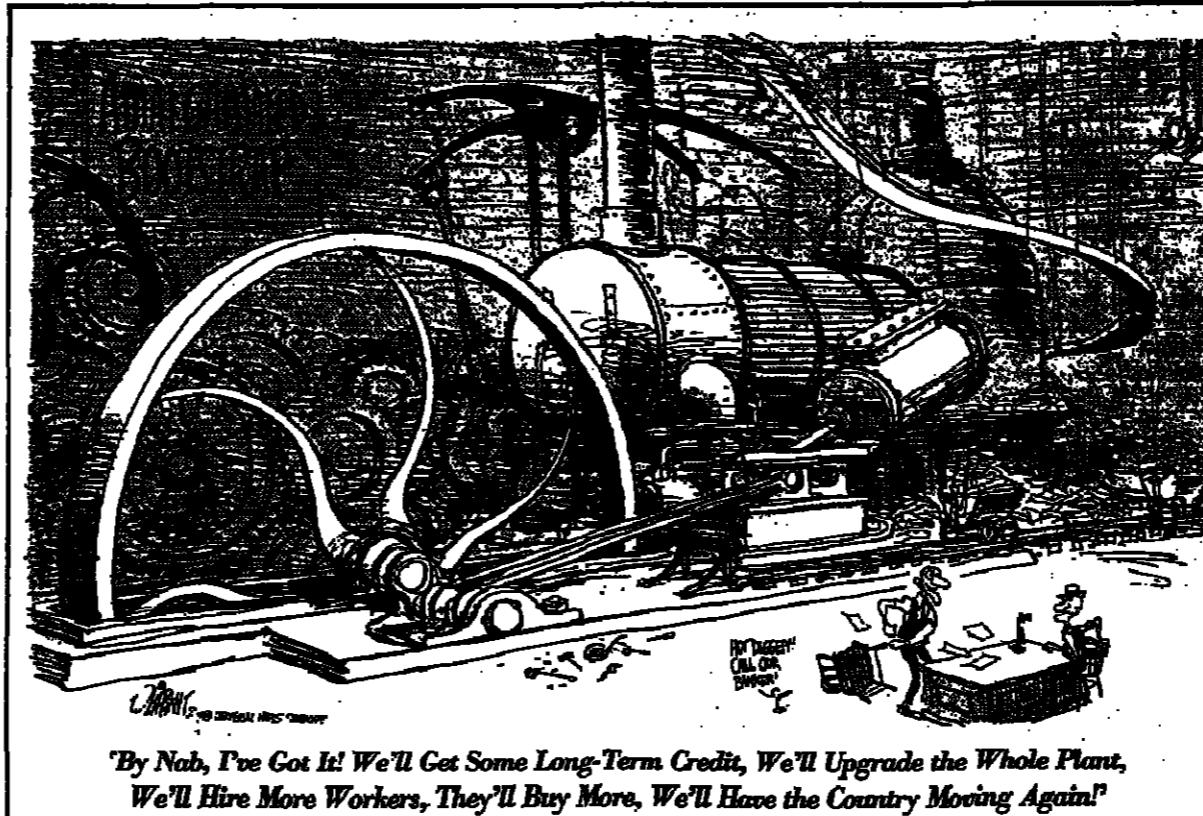
THE NEW YORK TIMES.

Nov. 16: From Our Pages of 75 and 50 Years Ago

1906: The Flying Machine

1931: Citroën After Ford

LONDON — Though English people have been slow, as they were in the case of automobileism, to take the same interest in aerial navigation as other European nations, the enthusiasm that they now displaying was manifested by the large and interested audience that assembled yesterday at the Royal United Service Institution to listen to the lecture of recent progress in aerial navigation. Sir Hiram Maxim said: "In my own experiments, I have found the lifting power of the aeroplane to be greater than has ever been suspected. My own experience tells me that there cannot be any question of the future of the flying machine. It is coming, whether we like it or not."



Reagan and the Press:

• The Problem May Be Lack of Practice

By David S. Broder

WASHINGTON — President Reagan asked reporters at his news conference last week to remember that the words they write are read all around the world and to consider whether the message they send is helpful or destructive to America's interests.

Whatever you think of that plea, the fact is that the most important message is the one the president himself conveys by his words and demeanor on public occasions. For the most part, those appearances have been helpful to Reagan in advancing his goals. His wit, his good nature and his rehearsed eloquence stand him in good stead, whether he is delivering a toast at a banquet, a formal political speech or a television policy address.

But at the last two news conferences, the impression he has created has been one of a man under great strain. The comments on Capitol Hill and in embassies suggest that the tension and anxiety the president displays when answering questions about his policies are beginning to cause concern among those in the United States and abroad who look to the White House for leadership.

Anxiety is being expressed by members of the White House staff who have come to view each press conference as a hurdle that must be negotiated with care. They have adopted what my colleague Martin Schram accurately describes as a "damage-control" philosophy for dealing with the press conferences: Schedule them infrequently, slow down the pace of questioning by lengthy answers and hope that Reagan gets out of them without hurting himself.

If that is right, then we are really in

fensive strategy. The practical problem is that the president is so strained in executing it — hesitant in manner and nervous in speech — that he undermines the effort to build confidence in his leadership. The relaxed sense of command and self-control that he communicated so advantageously in his 1980 campaign debates and in almost every formal speech he has made as president turns into a very tentative and tense performance in the press conferences.

Explanations abound. Some say the president's hearing impairment forces him to strain to hear the questions and puts him on edge even before he gives his answers. His aides have tried to reduce this problem by installing an amplifier in his podium.

Index Cards at Hand

Others say it is the mental gymnastics of the news conference that the president finds intimidating. He works best when he knows the topic in advance and has his index cards at hand, with the points he wants to make. In the news conferences he held in his eight years as governor of California, the custom was to exhaust one topic before shifting to a new one. He seemed more comfortable with that more structured format.

His critics put forward a much harsher theory: Reagan is under strain because he has such a shaky grasp of the policies for which he is formally responsible that he has a flicker of a time remembering what it is that he is supposed to say about such-and-such a subject.

If that is right, then we are really in trouble — not just this administration

but the country and the world. But before accepting that gloomy conclusion, I would like to see how Reagan would do if he were holding a press conference of some kind every week.

He did that when he was governor. But as president, he has held five news conferences in 10 months. On that schedule, every one becomes a very big deal — a big mental hurdle.

The Reagan we have seen at the last couple of news conferences reminds me of the upright, unhappy Reagan of the Iowa caucus period early in 1980, when his then manager, John P. Sears, was trying to shield him from the press and the public. When Reagan campaigned infrequently, under Sears' constraints, he was poor. When he was unleashed in New Hampshire, he was terrific.

So it is, I suspect, with the news conferences. People like my colleague Lou Cannon who covered him in California remember those gubernatorial news conferences not as ordeals to which Reagan submitted but as opportunities which he exploited easily to carry his message to the people.

Maybe he's lost the knack, now that he's 10 years older. But my guess is that he's just not getting enough practice to feel comfortable in the news conference format. If he had a regular schedule for alternating weeks of big televised news conferences and small Oval Office interviews with some of the White House regulars, my guess is that he would be better briefed by his staff on a wide range of issues, and much better prepared to discuss them.

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• His Words Astound

By Philip Geyelin

WASHINGTON — Right up to the final passage in President Reagan's foreign policy progress report at last week's news conference, you could have kept telling yourself that he really didn't mean it, that it was a mix of self-serving, a trifle hyperbolic but harmless — if you didn't take it seriously.

But then the president told us, in effect, to take it seriously: "It behoves all of us to recognize that every word uttered here in Washington winds up, by way of ambassadors and embassies, in all the other countries of the world." We should "reflect," he said earnestly, on whether what is said in Washington is going to "aid in what we're trying to do ... or whether it's going to set us back."

The conclusion I come to is that the six or seven utterly unbelievable things the president said about his foreign policy are going to set him back — perhaps even way back, if the people of influence in other countries of the world actually believe that he believes them.

Reporters present laughed when the president said: "There is no personal animosity, and there is no backbiting or back-stabbing going on around here — we're a very happy group." From their daily rounds, the reporters know better. But it is not a laughing matter if the president really believes it, and believes as well that the "picture that has been given of chaos and disarray" is the invention of the press and a "disservice, to the country."

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T. GUEBRE XABIER.

existence of anything remotely resembling" that idea the next day. When, a full week later, the president was still unable to say where the truth lay, that is "disarray" doubled and redoubled.

"Everything turned out just fine" at last month's Cancún summit on economic development, the president said. Ask the French, or the Canadians, or the Mexicans or any of the less-developed countries whose hopes for a grander outcome were dashed, if they were very pleased," as Reagan claimed.

Ask the Mexicans, with whom the president says the United States has "a better rapport" than "we've ever had," how they feel about his administration's policy in El Salvador.

The position is unconnected with reality. The purpose of his words "not the business of other nations" was to get Israel to back off.

The second false claim of misinterpretation took place early this month when Secretary of State Haig launched a counterattack against White House Chief of Staff James Baker and National Security Adviser Richard Allen. Haig charged he was the object of a "guerrilla campaign" by top White House officials he would not name. As columnist Jack Anderson was about to write of the secretary's incipient departure, Haig panicked and begged the president to call and save him off the story. Reagan complied.

Nobody Believed Him

Over the sound of sniper fire between the White House and the State Department, the president pretended to believe that all the noise has been inspired by mischievous reporters. He insisted that reports of backbiting had "absolutely no foundation."

Again he was denying reality. The truth, as any Washington reporter will attest, is that it is hard to avoid being buttonholed by high White House aides complaining about Haig, or by State officials running down Richard Allen and (more gingerly) Defense Secretary Weinberger.

Belatedly, the president realized that nobody believed him. Even the most avid pooh-poohers of backbiting knew that real bites were being taken out of real backs. Finally, the two leading suspects were called on the Oval Office carpet and told to cut it out. White House spokesmen said the knock-heads session was about "coordination."

Why is Reagan pulling the plug on his reservoir of credibility with these flights from reality? Three possibilities exist.

• The first is that he is the legendary good schmooch who trustingly accepts all "not-me, Boss" protestations.

• The second is that he is assuming the shiftness of office, and is now willing to mislead the public by blaming the press for misinterpretation.

• The third — and likeliest — is that he is falling into the trap of believing what he wishes were true.

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• 3 Possibilities

By William Safire

WASHINGTON — In two recent instances President Reagan denied the truth, accusing the press of "misinterpreting" what he and his closest aides had been saying.

At a news conference more than a month ago he read a prepared statement unmistakably directed to Israel and its supporters: "While we must always take into account the vital interests of our allies ... it is not the business of other nations to make American foreign policy."

When asked later if he had implied that Israel and its supporters were interfering with his foreign policy, Reagan assumed an injured innocence: "I know some people took it that way, but that was misinterpreted. I was terribly upset when I discovered that some Israeli supporters believed I was aiming at them. I was not ..."

That position is unconnected with reality. The purpose of his words "not the business of other nations" was to get Israel to back off.

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The switch in perceptions has to do with climate. The debates were allowed to veer away from deterrence and to sound like plans for fighting a war, while Reagan administration alarms and the economic crisis have darkened the horizon.

Moscow propagandists have made up for earlier inattention to NATO's plan, although they can't be blamed for the European reaction, which is basically a gut judgment of threat. Some people fear there is more danger of American bravura sparking a war than of Soviet attack. They will oppose American missiles, whether Soviet missiles point at them or not.

Moscow's

Joyce

5 Steel Exporters Face U.S. Charges

By Jane Scaberry
Washington Post Service

WASHINGTON — The Reagan administration has sent a warning to foreign steel producers, saying it will charge Romania, Belgium, Brazil, South Africa and France with unfair trade practices involving their steel exports.

The action, labeled "dangerous" by the EEC, accuses all of the foreign governments except Romania of injuring U.S. steelmakers by subsidizing the production of steel that they sell in the United States at unfairly low prices. Romania will be charged with dumping, that is, with injuring the U.S. steel market by selling steel below what it cost to make it. Both actions could result in stiff duties levied against the five countries' steel exports to the United States.

"The countries are geographically diverse and the products so important as to put world producers on notice that the United States is serious about enforcing its trade laws," Commerce Secretary Malcolm Baldrige said Friday.

The action is the first of its kind by the government, and it threatens to set off a trade war with Europe, which considers initiation of such complaints by the U.S. government a hostile gesture. An official of the EEC, representing France and Belgium, repeated their contention that the action is "dangerous and questionable" and added, "We're not concerned that the cases chosen by the Commerce Department show convincing proof of injury."

The cases involve carbon steel plate, except for France, which is accused of subsidizing hot-rolled sheet.

"We applaud the action of the Department of Commerce in commencing its countervailing-duty and dumping investigations," said a spokesman for the American Iron and Steel Institute. "These actions confirm what the steel industry has been saying for a long time about the nature and pervasiveness of foreign steel subsidies."

Several U.S. steel companies have said they may file their own complaints as well. For example, U.S. Steel Corp. said it will file at least nine countervailing-duty and dumping complaints against European steelmakers by Dec. 1. U.S. Steel Chairman David M. Roderick had said that he will file complaints because the Commerce Department's plan "wasn't broad enough."

Japan Uses Wholesalers, Retailers As Market-Based 'Welfare System'

By Steve Lohr
New York Times Service

OSAKA, Japan — In his demeanor, there is nothing to suggest that Isao Nakuchi is a radical. His manner is reserved, almost stolid, and his dress is conservative — navy blue suit, French cuffs and the metal-framed glasses worn by so many Japanese businessmen.

Yet the 59-year-old president of Daiei Inc., this nation's largest retailer, has been a kind of revolutionary in Japanese industry. Starting in 1957 with just one store and 13 workers, Mr. Nakuchi introduced the supermarket concept to Japan. The measure of his success is shown by the growth of Daiei since then. Today it is a trillion-yen-a-year diversified enterprise employing more than 17,000 persons and operating about 170 stores.

But Mr. Nakuchi has led an assault on one segment of Japanese society: The intricate network, built up over generations, of more than 2 million distribution and retail companies. The retailers in particular tend to be small, family-run operations, with fewer than four employees each.

Large-scale, efficient concerns such as Daiei can sell goods for less than the small retailers and often set up their own distribution systems.

Restrictive Laws

But the distribution and retailing industries have traditionally served an important role in the Japanese economy. In the midst of Japan's rapid industrialization and urbanization, these two sectors have been a buffer, providing jobs for people released from the farms. The government to some degree encouraged their development by giving tax breaks to the proprietors of these small businesses.

Worried by the threat that Daiei and other big operators posed to the small retailers and distributors — and the unemployment that might result — the government in the mid-1970s placed restrictions on the opening of large stores.

Renault Sees New Robots Building Profit as Well as Cars

By Paul Lewis
New York Times Service

DOUAI, France — Resembling giant yellow insects, the robots lift their supple tentacles as each slab of silver metal, suspended from a chain drive, edges by. The black plastic-heads bob and weave, biting six or seven times amid a hissing cascade of golden sparks.

The scene is Renault's new automobile plant here in northern France, where the latest in automated equipment, manufactured by a Renault subsidiary, is busy building the new R-9, Renault's version of a world car. Renault, which has been run by the government since Charles de Gaulle nationalized it after World War II, has emerged as an aggressive and technologically advanced auto producer, the maker of France's best-selling cars with an expected 40 percent of the domestic market this year.

Here at Douai, the competitive spirit often said to be lacking in nationalized enterprise is apparent. "With robots now doing 40 percent of the operations," said Edmond Pachura, the factory director,

"We're the leader in Europe and the U.S. and certainly as good as anything in Japan."

Indeed, the Socialist government of François Mitterrand likes to cite Renault's record under nationalization as it goes about putting other major French industries under state control.

Nationalization can help sustain investment and employment during difficult times, the argument goes. The expenditure of about \$400 million for the new R-9 is cited as an example of such investment. While private investment stagnated in France last year and is expected to fall quite sharply in 1982, Renault increased its total investment spending nearly 70 percent in 1980 to \$800 million and is investing \$1 billion more this year despite an expected small operating loss. Renault profit in 1980 was 303 million French francs (\$55 million) on sales of 500,000 cars.

Whether employment will fare well remains to be seen. Although no one loses his job to a robot at Douai, attrition will inevitably cut the 7,300-man work force there.

Of course, robots are not perfect either.

They break down from time to time, requiring expensive repairs, and they are expensive. The starting price for the simplest is about \$100,000 and the bill can quickly reach \$500,000.

This year Renault will produce slightly more than 2 million vehicles (54 percent for export), making it the world's third largest automobile maker. By 1985, thanks to the new R-9, Renault hopes to raise total output to 2.5 million vehicles. France's other major car manufacturer is the Peugeot Group, which now controls Citroën and the former European branch of Chrysler. It expects a 38.8 percent share of the French market this year.

The R-9, which has just gone on sale in France and will be introduced in West Germany in December, already has been called "anti-Japonaise," because it is a direct challenger to the Toyota and Datsun now sweeping into Western Europe, as well as to Ford's Escort series and General Motors' "J" cars.

The R-9 is similar to the Ford Escort, Volkswagen's Rabbit and the middle-of-the-

road products of Nissan, Toyota and General Motors.

Renault's new model is not an exciting car, nor is it intended to be. It is a sensible-looking medium-sized, economical family sedan aimed at what its project director, Christian Martin, calls "a clientele attached to traditional values, who like classical-looking cars and generally only own one car, used mainly for weekends and vacations."

"Europe's Answer"

The R-9, a front-wheel-drive car available in 10 models based on the same chassis, will eventually be manufactured or assembled in Spain, Portugal, Mexico, South Africa and Taiwan. Renault also plans to build a U.S. version at the Kenosha, Wis., plant of American Motors, in which it has a 46.4 percent stake.

"The R-9 is Europe's answer to the second energy crisis," said Bernard Hanon, who takes over as president and chief executive of Renault next month. [The current chief at Renault, Bernard Vernier-Palliez, is

(Continued on Page 9, Col. 6)

Bernard Hanon
Responding to energy crisis

Investors Greet Slump In U.S. With Buying

By Carl Gcwitz
International Herald Tribune

PARIS — Midyear and Japanese banks are adding conspicuous amounts of liquidity to the international credit market, helping to keep borrowing terms for countries that otherwise could be expected to pay more, bankers active in the Euromarket report.

A proliferation of small distributors in Japan protects jobs but keeps consumer prices high

	Japan	U.S.	W.Germany
Wholesalers	369,000	383,000	116,000
Retailers	16.7 million	1.86 million	346,000
Population per Wholesaler	315	565	535
Population per Retailer	69	117	179
Employees per Wholesaler	10.0	9.4	10.0
Employees per Retailer	36.6	8.1	6.1

Sources: Dunhill Marketing Consultants

Liquidity in Credit Markets Lowers Cost of Borrowing

By Carl Gcwitz
International Herald Tribune

how liquid the market is. At midyear, Argentina was effectively banned from the public market as its domestic economic situation became worrisome and banks refrained from making new commitments. By September, the situation had stabilized and Argentina returned to the market, but paying a much higher spread — 1 percentage point plus over the London interbank rate — compared with the ½ point over Libor it paid at the start of this year.

The government itself reopened the market, paying a declining rate of 1¼ percentage point over Libor for the first two years, ¾ percent over for the next three years and 1 percent over for the final two years. The pricing was deemed an adequate assessment of where the market had moved, and managers were unwilling to go beyond the six-year maturity they accepted on such tight terms earlier this year.

Ireland, which early this year

borrowed \$250 million at a split ¾-½ point for 10 years, is looking for at least another \$150 million at the same terms. European bankers argue that Ireland, which they say has borrowed substantial amounts in private deals with individual banks, should normally not expect to repeat those low terms for more than eight years.

Argentina is another example of

(Continued on Page 9, Col. 1)

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Oil Finds Ease Fears Over Depletion of Tunisia's Reserves

By Pranay B. Gupta
New York Times Service

TUNISIA — Discovery of two major oil deposits here is easing Tunisia's worry that the rapid depletion of existing resources would force it to import rather than export oil within the next three years.

The discoveries also could ease political tensions with Libya, which borders Tunisia on the east.

Oil exports currently constitute Tunisia's biggest source of revenue, fetching this North African nation more than \$600 million a year.

This sum, plus about \$550 million from the booming tourism industry and another \$250 million from the sale of phosphates, helps to keep Tunisia's current account deficit to about \$300 million a year.

Until about three weeks ago, Tunisian and Western economists were convinced that by 1984, Tunisia's oil resources at the Borma and Ashtar fields, its two big producers, would run out and the country would be left without alternative resources.

Tunisia produces about 120,000 barrels of crude oil a day but is not a member of OPEC. The country consumes half of its oil domestically, and government figures show that the country's energy consumption has been increasing by 12 percent a year. "Tunisia's economy cannot generate sufficient

money to afford large-scale imports of oil," a senior Western diplomat here said.

The first of the recent discoveries was in the Chott Jerid dry lake, where an affiliate of the Standard Oil of Indiana sank two exploratory wells. Senior Western diplomats here say that by 1983, Tunisia will produce at least 50,000 barrels a day from wells in this area. The company has told Western sources here that it would sink about 30 wells in Chott Jerid.

The second find was near the eastern port resort of Sfax, where another U.S. oil company, Houston Oil & Minerals, tested deposits said to yield more than 10,000 barrels a day from one well alone. Exploration is continuing, and Western economists say they are optimistic.

"These two oil finds hold out very good prospects of a net export cushion," a European diplomat said.

Adding to the concern of officials here over the energy outlook has been a five-year dispute with Libya over drilling rights in the Mediterranean. Western sources have estimated that the Ihs Field, beyond the Gulf of Gabes, which borders the two nations, contains at least 2 billion barrels of high-quality, low-sulfur crude oil.

Both Tunisia and Libya have staked claims to this field, and the

CURRENCY RATES

Interbank exchange rates for Nov. 13, 1981, excluding bank service charges.

	\$	£	D.M.	F.F.	Fr.	G.M.	S.F.	D.L.
Amsterdam	2.025	4.59	142.50*	41.57*	1,124	4.512	12.25	3.9815
Brussels (n)	2.716	70.71	142.50*	41.57*	1,124	4.512	12.25	3.9815
Frankfurt	2.222	4.265	—	39.44*	1,024*	9.16	5.975*	32.610*
London (n)	1.7165	—	2.4267	10.688	2.26740	4.434	71.225	3.0467
Milan	1.6123	—	2.25240	5.2424	2.26740	49.225	22.024	67.617
New York	1.5713	—	1.6225	1.7765	1.0203	0.7471	0.2835	14.534
Paris	5.579	16.625	25.00*	4.75*	20.644	15.0225	37.725	71.524
Zurich	1.758	3.3615	21.50*	3.1485	72.59	4.7319*	24.67	—
E.C.U.	1.164	0.5765	2.4441	6.1600	1.30712	2.6728	11.0884	3.9394

*Shorter: 1.1985 Irish £.

(a) Commercial franc. (b) Amounts needed to buy one pound. (*) Units of 1000. (x) Units of 1,000.

Source: International Monetary Fund.

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Prices of Metals Seen Poised for an Upturn

By Lydia Chavez

New York Times Service

NEW YORK — The market for metals may be languishing in recession, but the road back to higher prices — especially for copper, lead and zinc — is not expected to be as arduous as it was after the sharp business downturn of 1974-75. In fact, many analysts contend that even a slight increase in demand could send prices soaring.

The basis for such optimism stems from the fact that metal producers, taking a lesson from six years ago, have kept inventories lean. They have also benefited from a few fortuitous coincidences.

"The producers are better situated than they were in 1975," said Robert Garrow, an analyst with the Commodities Research Unit, an independent research firm. "They have had the good business sense to hold down inventories."

After the 1974-75 recession, a price recovery was delayed as producers worked off big stockpiles, which had accumulated after producers underestimated the severity of the recession.

Lower Inventories

But now, as the U.S. economy enters a new downturn, inventories for copper, zinc and lead are much lower. Copper inventories in the United States, for example, now total 253,000 tons, significantly less than the 361,000 tons at the end of 1975.

"Copper is poised for a rapid increase in price, once the economy turns around," declared William Siedenburg, an analyst with Smith Barney, Harris Upham.

Baine Kerr, president of

Ruling on Appeal May End LTV's Bid for Grumman

Washington Post Service

NEW YORK — A three-judge federal appeals panel has upheld a lower court's ruling on LTV's \$450-million bid to take over Grumman, and Wall Street analysts believe the decision effectively means the bid will be dropped.

In the past LTV officials have said that if the appeals court upheld the lower court's injunction — a ruling that prevents LTV from soliciting or paying for Grumman shares — the Dallas-based conglomerate would be forced to retract its bid.

On Friday, however, LTV Vice President Julian Scheer said that although the company was "disappointed," corporate officials "haven't had a chance to review the decision" or determine what source of action LTV will take.

But the choices facing LTV are to spend months or even a year in a lengthy antitrust trial or to call off its takeover attempt. Wall Street sources said they expect LTV to drop the bid.

Liquidity in Credit Market Holds Down Cost of Borrowing

(Continued from Page 7) — and a slightly higher fee of 1 percent versus .75 percent.

Japanese banks took 50 percent of this loan, and managers were able to sell down through syndication the remaining portion. Late Friday, bankers were still discussing with the Argentinians the merits of increasing the size of the loan or simply allowing the spill over to flow into the upcoming \$400-million credit for Yacimientos Petrolíferos Fiscales, the state oil company, which is expected to offer terms identical to those of BND.

Such enthusiastic response normally would be expected to result in lower borrowing terms, but bankers point out that Argentina has already succeeded in extending the maturity to eight years and they argue that the underlying economic conditions do not warrant a cut in the margin.

Japanese banks, which originally were expected to take 50 percent of the \$500-million standby credit Electricité de France marketed to back up commercial paper to be sold in New York, wound up taking only 38 percent of the final amount, which was increased to \$700 million. French and Middle East banks accounted for 40 percent and the remaining 22 percent was spread among European institutions.

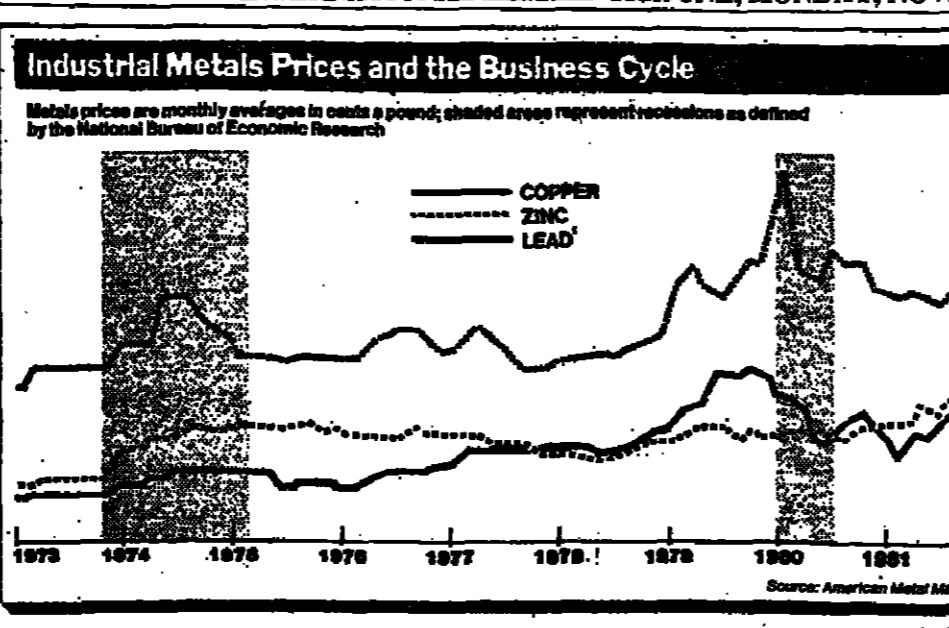
Italian Borrower

Credit Foncier is new in line to tap the international market. But bankers suggested that with the sharp rally in the New York bond market Credit Foncier might decide to issue fixed-rate debt to lock in what many here perceive to be low long-term rates.

Tokyo Pacific Holdings N.V.

Tokyo Pacific Holdings (Seaboard) N.V.

The Quarterly Report as of 30th September 1981 has been published and may be obtained from:

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Renault Sees New Robots Building Stronger Profits

(Continued from Page 7)
leaving to become the new French ambassador in Washington.

Renault, along with the big Japanese and U.S. producers, is aiming squarely for the market middle and going all out for economics of scale.

This, of course, is where robots come in. Renault believes that its 125 robots in operation at Douai [all of its own design and built by Renault-Acmal] are 20 percent more productive than human labor, because they do not get bored doing the same job over and over and because the quality of their work is perfectly even.

As a result, Renault hopes its Douai factory, now producing about 650 R-9's a day, will increase output to 1,000 a day by the end of the year and reach 2,000 a day — or \$50,000 a year — by the end of 1982. While secretive about precise production costs, Mr. Pachura, the plant manager, said he hopes that at peak production next year the R-9 will be coming off his assembly lines "cheaper than most of our rivals."

Renault executives are sticklers for precision when they talk about robots. In their eyes, the only robots worthy of the name are those that can be taught to do new jobs — "reprogrammable" is the word they use.

In addition to R-9s, the Douai plant is currently turning out small R-5s [called "Le Car" in the United States] as well as the bigger R-14, which Renault does not sell in the United States. When the factory switches over to making R-9s full time next year, R-5 units will be transferred to other factories in

France, while Renault's Belgian subsidiary will take over production of the R-14.

Already, the Douai robots have been taught to produce R-5s and R-14s on the same line as the R-9. But when production of these smaller cars is moved next year, the robots will still be able to turn out 10 different versions of the R-9, according to demand.

The greater flexibility robots give the factory in responding to the whims of a depressed market is one of the main arguments Renault management has used to calm trade union fears. No one has lost his job since the robots marched into the Douai factory, and management insists that no body will be laid off as more and smarter robots gradually take up residence. But the factory's work force will decline in coming years through attrition. Few new workers are being recruited.

Instead, keeping porter robots, like something out of "Star Wars," scuttling by with heavy parts, robots paint and polish, and "muscular" robots hoist and bolt engines. The new look in auto plants has arrived at Renault.

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Japan's Small Firms Play 'Welfare' Role

(Continued from Page 7)

the blow of economic change in industries that for a variety of reasons are struggling behind, according to Masaru Yoshitomi, chief economist of Japan's Economic Planning Agency.

"We're trying to keep this welfare within the market mechanism," Mr. Yoshitomi said. "But the basic direction of economic change is given by the market."

The inefficiency of the small-scale retailers and distributors as a mechanism for delivering goods to consumers is apparent in the high cost of many goods here. Japanese products sometimes cost more in Japan than they do in the United States.

Foreign business executives and government officials regard the distribution system as a restrictive barrier to selling in Japan. But the Japanese dispute this. Echoing the views of most Japanese government and business officials, Terusaki Konishi, a managing director of the Industrial Bank of Japan, said: "The Japanese distribution system is inefficient by American standards, but it is our system. Everyone has to

sell through it, our companies and foreign concerns alike."

Japan has about half the population of the United States and it covers less area than the state of California, but it has nearly as many distributors and retailers as the United States.

Goods change hands more often between distributors in Japan, before getting to the consumer, than is the case in most countries. In Japan the ratio of wholesale transactions for each retail sale in 1976 on average was 4 to 1, compared with 1.8 to 1 in the United States and West Germany. Each time a wholesaler sells to another distributor a profit is collected and the eventual price to the consumer increases.

Even Daiichi has recognized this, opening up many smaller convenience stores in recent years. And of Daiichi's president, Mr. Yoshitomi, "I'd call Nakachi as 'revolutionary,' not a revolutionary. The change in the retailing and distribution industries is occurring, but it's taking place slowly. And that's as it should be."

Investors Greet Slump in U.S. With Buying

(Continued from Page 7)

standing Eurobonds are yielding 15.5 percent, while to yield a 10-year paper in New York to yield (at 14.65 percent) the equivalent of 15.20 percent. Finland sold five-year paper at 14.4 percent in New York, about half a percentage point below what it could have done here, bankers estimated.

One exception was Du Pont, which borrowed nearly \$4 billion to pay for its \$7.7-billion summer takeover of Conoco and which needs to reduce the amount of short-term debt outstanding and to stretch the remainder into longer term obligations. In fact, Moody's rating service shaved its triple-A rating of Du Pont's senior unsecured debt to double-A because of this.

Bought Deal

Du Pont's decision to go ahead despite the fact that the cost here was about 20 basis points (100 equal 1 percentage point) more expensive than New York was taken as a sign that it will tap the New York market shortly as well.

Despite the fact that the issue was a "bought" deal (terms and conditions fixed at the outset by the lead manager), the final size and shape was rather far from first indications. Credit Suisse First Boston announced it had bought a \$250-million issue that would be marketed to yield between 14% and 14.4% — the lowest coupon on seven-year paper since early summer.

But in light of the overwhelming demand, the size was increased to \$400 million and the coupon set at 14.5% percent. Asked how a "bought" deal could be made so flexible, a CSFB spokesman explained that the firm had underwritten the deal at fixed conditions but told the borrower it would try to attain more attractive terms in the market. The Du Pont paper ended the week quoted at 99% for a yield of 14.65 percent.

Japan Airlines, which came to market for \$50 million for seven years, announced an indicated coupon of 15% percent but in light of the substantial demand cut the coupon to 15% percent and sold the paper at a discount of 99% to yield investors 15.37 percent. By the end of the week, the issue was quoted at 102%, an effective yield of 14.65 percent.

Transco, a U.S. pipeline and energy company, sold \$50-million of seven-year paper at par bearing a coupon of 16.4% percent. The issue was quoted Friday at 100%.

A \$100-million, seven-year issue for Transcanada Pipeline, sold at par bearing a coupon of 16% percent, also ended the week at a modest premium of 100%.

The only offering not snapped up was a \$50-million, 16-year rolling-rate issue for OKG, a nuclear power utility in Sweden, where there is considerable political opposition to such installations. The coupon is to be fixed every four years, at which time bondholders have the choice of accepting the new rate or requesting redemption at par. The initial coupon is expected to be set at 15.4% percent. The paper was quoted on a when-issued basis of 99, for a yield of 16.10 percent.

Only one issue is rumored to be in the pipeline — \$100 million of 10-year bonds for Household Finance. Goldman Sachs said it is planning an issue for the U.S. consumer credit group but declined to say when it would come to market.

In the floating-rate market, Merrill Lynch is seeking \$100 million for three years, offering a quarterly coupon set at the offered rate for three-month Eurodollars and promising this will never be set lower than 5% percent.

The Industrial Credit & Investment Corp. of India, guaranteed by the government, is raising \$30 million, offering a coupon set at a quarter-point over the six-month interbank rate and guarantees this will not be set lower than 6% percent.

The Dominican Republic's Sugar Council is in the market for \$100 million. The loan, to finance harvesting and exporting the sugar crop, will run for nine months from first drawdown and pay 1% point over the three-month interbank rate.

From the United States, Middle South Energy Inc., a subsidiary of Middle South Utilities, is seeking a \$200-million, seven-year credit at 1 point over Libor.

Arab Latin American Bank is offering \$40 million of five-year floating rate certificates of deposit. Sold in units of \$250,000, the notes will bear a coupon set at a quarter

point over the six-month interbank rate.

The Canadian-dollar sector remained buoyant thanks to the still very high coupons offered. Canadian Utilities Ltd. is selling 50 million Canadian dollars of 15-year bonds bearing a coupon of 17 percent. Its domestic Canadian paper is rated triple-A. Pricing, expected at par, will be set Tuesday. The bonds are non-callable for 10 years, an attractive feature to those who believe rates have peaked. A sinking fund will reduce the average life of the issue to 9% years.

Meanwhile, Société Hypothécaire Procan, guaranteed by the National Bank of Canada, sold 35 million dollars of five-year paper at par bearing a coupon of 17.1% percent.

Prices of Deutsche mark-denominated bonds rose on average 1% points last week, reducing yields of seasoned issues to 10.70 from 11.05 percent a week ago. A 100 million DM offering of the EEC, sold at par bearing a coupon of 10.4% percent for three years, offered a quarterly coupon set at the offered rate for three-month Eurodollars and promising this will never be set lower than 5% percent.

Hydro Quebec is expected to launch 150 million DM of 10-year bullet this week bearing a coupon of 10.4% percent, and a 150-million DM, eight-year convertible for Mitsubishi Heavy Industries is being offered at par bearing a semi-annual coupon of 6 percent. A conversion premium of 5 percent is expected.

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Washington Upsets USC, 13-3

From Agency Dispatches

SEATTLE — Chuck Nelson kicked a 46-yard field goal with 2:19 left to play, and the University of Washington scored a touchdown on the ensuing kickoff when Fred Small recovered a loose ball in the end zone to give the Huskies a stunning 13-3 victory over the University of Southern California here Saturday.

Coupled with Washington State's 19-0 victory over California, the triumph set up a possible Rose Bowl showdown next week when Washington meets Washington State.

Until the final minutes, the Washington-USC game was a defensive struggle. Marcus Allen of USC, the nation's leading rusher, became the first collegian to run for 2,000 yards in a season, but he finished with a sub-par game, gaining 155 yards. His longest carry was 13 yards.

Steve Jordan gave the Trojans a 3-0 lead early in the second period with a 35-yard field goal. Nelson answered that with a 21-yarder, and it was 3-3 at halftime.

Most of the second half was marked by outstanding defensive play by both teams, with tackles Fletcher Jenkins and Ray Carter and linebacker Mark Jesue the standouts for Washington, and linebacker Jack Del Rio turning in a great performance for USC.

The contest was played in wretched weather, with fierce rain and winds gusting up to 50 mph. Only 47,347 fans were on hand despite 55,004 tickets' having been sold.

Turnovers were surprisingly few considering the conditions, but a key fumble by Allen set up Washington's first field goal. Allen dropped a pitchout, lost 9 yards and Jenkins recovered for the Huskies on the Trojan 13.

The Huskies could not advance beyond the Southern Cal 4, and Nelson came in to collect his first points of the game.

Alabama 31, Penn State 16

In University Park, Pa., Bear Bryant tied Amos Alonzo Stagg's career coaching record with his 314th victory as Alabama defeated Penn State, 31-16.

Bryant, whose record is 314-80-17, claimed his first victory at Maryland in 1945. He later served as head coach at Kentucky and Texas A&M before moving to Alabama in 1958.

"I haven't even thought about the record," said Bryant, standing in a cramped shower stall that had been converted into a conference room for the occasion. "I wasn't

thinking about it out there. Maybe when I go home and think about it, there will be some personal satisfaction."

"I really didn't tie the record. There are a multitude of people who share in that and I'm grateful to all of them. I'm tremendously proud of our coaching staff. And not only am I happy for our players, but for the people who influenced our players."

Walter Lewis threw for two first-half touchdowns to send the Crimson Tide to a 24-3 lead, and Penn State could not score a touchdown until the final quarter.

Nebraska 31, Iowa State 7

In Lincoln, Neb., the Cornhuskers snapped a 7-7 tie with 24 points in the final quarter to defeat Iowa State, 31-7, and claim their first undisputed Big Eight title since 1971. Nebraska's 8-2 overall and 6-0 in the conference, won an automatic berth in the Orange Bowl as Oklahoma lost to Missouri, 19-14.

Eddie Neil provided the winning points for Nebraska with a 49-yard field goal, and Irving Fryar ran back a punt return 63 yards for a touchdown as the Cornhuskers scored all their fourth-quarter points in a span of 5:20.

Pittsburgh 48, Army 0

In Pittsburgh, Dan Marino passed for 282 yards and four touchdowns in three quarters to lead Pittsburgh to its 16th straight victory, a 48-0 trouncing of Army. All of Marino's touchdown passes were caught by split end Julius Dawkins, and three of those receptions came in the Panthers' 20-point third quarter.

Clemson 21, Maryland 7

In Clemson, S.C., Homer Jordan threw two touchdown passes to Perry Tuttle and another to Jerry Gaillard to keep Clemson undefeated with a 21-7 victory over Maryland. The triumph gave the Tigers the Atlantic Coast Conference title.

Michigan 28, Purdue 10

In West Lafayette, Ind., Steve Smith ran for one touchdown and threw to Craig Dunaway for another to help Michigan beat Purdue, 28-10, and raise its overall record to 8-2. Butch Woolfolk and Lawrence Kirk scored the other Michigan touchdowns.

Georgia 24, Auburn 13

In Athens, Ga., Hershel Walker broke his Georgia single-season rushing record by running for 165 yards while leading the Bulldogs past Auburn, 24-13. The victory

gave Georgia at least a share of the Southeastern Conference championship. Walker, with one game to go, has 1,666 yards — 50 more than he had in 1980 when he set the National Collegiate Athletic Association freshman record.

Texas 31, TCU 15

In Austin, Texas, running backs A.J. (Sam) Jones and John Walker each scored once, and tight end Mike Chapman caught a 9-yard touchdown pass to lift Texas over Texas Christian, 31-15. But the victory was marred by a first-quarter injury to all-America defensive tackle Kenneth Sims that is expected to sideline him for the rest of this season.

So. Mississippi 28, Florida St. 14

In Tallahassee, Fla., quarterback Reggie Collier and tailback Ricky Floyd each produced three touchdowns to power Southern Mississippi over Florida State, 58-14. Collier ran 89 yards for one score and passed for two more.

Amherst 21, Williams 17

In Williamstown, Mass., Jeff Hughes scored on a 3-yard plunge midway through the fourth quarter as Amherst claimed the Little Three Conference title with a 21-17 victory over Williams.

Princeton 35, Yale 31

In Princeton, N.J., Bob Holly passed for 301 yards, including three touchdowns, and ran in the winning score with four seconds remaining as Princeton upset previously undefeated Yale, 35-31. It was the first time in 14 years that Princeton beat the Elis, who are seeking their third straight Ivy League championship.

Clemson 12, Maryland 7

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with 2:20 left in the half to put the Jets ahead, 7-3.

On New England's next series, Buttiglione recovered a fumble by Mosi Tatupu at the Patriot 36. Pat Leahy then kicked a 47-yard field goal, giving the Jets a 10-3 lead at intermission.

Eagles 38, Colts 13

In Philadelphia, quarterback Ron Jaworski threw two touch-

down passes and Wilbert Montgomery ran for another pair as the Eagles beat Baltimore 38-13 Sunday — the Colts' 10th straight defeat.

Jaworski, who left the game early in the fourth quarter, completed 19 of 29 passes for 294 yards. Montgomery played little more than two quarters before jamming an ankle, but still gained 115 yards on 22 carries. It was the 21st time in Montgomery's six-year career that he has exceeded 100 yards in a game.

Broncos 24, Buccaneers 7

In Tampa, Fla., Larry Wilson connected a kick to set up one touchdown, ran 1 yard for another and caught a 3-yard pass for a third as Denver defeated Tampa Bay, 24-7.

Tampa Bay battered Bronco quarterback Craig Morton, linebacker Hinch Gresham sacking him twice before noseguard Dave Logan put him out of the game with a bruised shoulder with just before halftime.

Jets 17, Patriots 6

In Foxboro, Mass., an interception and fumble recovery by linebacker Greg Buttiglione set up a touchdown and field goal late in the first half that propelled the New York Jets to a 17-6 victory over New England.

Buttiglione's interception came after the Patriots had driven to the Jet 19-yard line. Bruce Harper then capped a 14-play drive with a 4-yard scoring burst up the middle

with 2:20 left in the half to put the Jets ahead, 7-3.

On New England's next series, Buttiglione recovered a fumble by Mosi Tatupu at the Patriot 36. Pat Leahy then kicked a 47-yard field goal, giving the Jets a 10-3 lead at intermission.

Cardinals 24, Bills 0

In St. Louis, Otis Anderson rushed for 171 yards and two touchdowns to become the all-time leading rusher in St. Louis history and spark the Cardinals to a 24-0 upset of Buffalo. Anderson's runs, Neil Lomax's 2-yard scoring pass to fellow rookie Stump Mitchell and Neil O'Donnoughue's 35-yard field goal were the keys to the Cardinals' raising their record to 4-7.

The St. Louis defense, worst in the NFC going into the game with a conference-high 303 points in 10 games, forced 5 turnovers, including 3 interceptions and a fumble recovery by Ken Greene. The shutout was the first by the Cardinals since Oct. 31, 1977.

Three-time veteran Anderson, who carried 27 times, moved past Jim Otto as the all-time Cardinal rusher. Otto rushed for 3,863 in six seasons. It was Anderson's second-best day as a pro and the second-best this season he went over the 100-yard mark. He's gained, more than 100 yards 17 times in his career.

Packers 21, Bears 17

In Green Bay, Wis., David Whitehead threw 5 touchdown passes covering 1 and 39 yards to Harlan Huckleberry and 2 yards to Terrell Middleton, leading the Packers to a 21-17 victory over Chicago.

Safety Mark Murphy set up Green Bay's go-ahead touchdown with a 50-yard interception return and cornerback Mark Lee picked off two other passes by the Bears' Vince Evans as the Packers (5-6) won their third in a row. The Bears dropped to 3-8.

Whitehurst's scoring pass to Middleton made it 21-10 with just over a minute left in the first half. The Bears closed to within 21-17 when Walter Payton, who rushed 22 times for 105 yards, scored on a 2-yard run with 9:58 remaining in the game. But Lee preserved the victory with his second interception.

He meant that if the owners won their demand for professional compensation for free agents, only three players would have to be paid for with other players out of major league organizations.

NEW YORK — During the baseball strike, Ray Grebe, the one and only spokesman for the club owners' player relations committee, had a line he found occasionally to drop in with a sneer. "Well," he would say, "now we have a strike over three players."

If it seems reckless of the Players Association to cut 50 days out of the season because of three players, it is not unprecedented. Unions have struck over the dismissal of one member when a matter of principle was involved.

It was much more difficult to believe the club owners would provoke and prolong a debilitating strike that gravely threatened the health of their business over compensation for three players. That has been the determination of the principle.

It was a happenstance that the two most glamorous free agents were Yankees. Or maybe the Yankees have a higher glamour content than other clubs, though Tommy Lasorda would dispute that until he was Dodger-blue in the face.

At any rate, Ron Guidry and Reggie Jackson monopolized most of the public attention, though they need not be the most vividly pursued in negotiations. The number of clubs drafting negotiating rights to Guidry was impressive — 17 of the 21 that had not eliminated

paid for with other players out of major league organizations.

The owners had provided that, despite standing in the upper 50 percent in appearances, a free agent would have to be selected by at least eight clubs in the re-entry draft to call for professional compensation. Since this provision was never tested, there was no way to tell what this number might have been; conceivably 39.

The total of free agents calling for professional compensation came down to three because there was a strike that forced drastic changes in the owners' compensation plan. They not only sharply altered the requirements for Type A classification, but also discarded the idea of discouraging pursuit of free agents by requiring that the team signing a free agent pay for him by sending one of its professionals directly to the team that lost him.

Confident Cards

The clubs reluctantly settled for the players' proposal of a player pool, from which a club losing a Type A free agent might choose its compensation. Except for five clubs that elected not to deal with Type A free agents, each team must contribute to the pool. A

total of 24 players, one that does not may protect 24 players, one that does not may protect 26; all others in the club's entire organization go into the pool.

Thus a team losing a free agent knows it will be compensated with the 25th or 27th man out of another organization, but not necessarily out of the organization that signed the free agent. Some teams can dicker with Type A men with im-

age.

Steady All Blacks Overcome France

By Bob Donahue
International Herald Tribune

TOULOUSE, France — New Zealand scored four times Saturday. France scored three times, and the All Blacks duly won the first of two rugby test matches, 13-9. The French were error-prone; the New Zealanders methodical.

The four-point margin came from the day's only try. From a midfield scrum on the French 22 in the 34th minute, scrumhalf Dave Loveridge buffed the defense with body feints and fake handoffs at top speed and neatly put his right wing, Stu Wilson, across in the corner. Fullback Alan Hewson failed to convert.

New Zealanders had been forecasting that Graham Mourie's men would win a fierce first test here and lose the second test in Paris next Saturday. The French had been warning each other that the New Zealand captain is a master tactician with a disciplined team. Everybody is right so far.

The combat was extra-hard between two packs of big but mobile forwards. Neither team had picked a backfield capable of creative attack against the smothering pressure defense that rugby establishments around the world have been developing at the expense of the old attacking arts.

Right Picture

Into this impasse the French forwards charged gamely, again and again straight up the middle, led by hooker Philippe Diniants, flanker Jean-Luc Jomial and lock Alain Lorier — only to keep losing the ball and ultimately the match. The French plan was to hammer fast, hard and relentlessly; execution was bravely frenetic.

The dominant image in the Toulouse sunshine was of the All Blacks' winning yet another lineout, kicking safely touch and trotting patiently upfield to the next lineout. Hooker Andy Dalton, who had worked overtime synchronizing his throw-in with his jumpers in the parking lot of a suburban Toulouse hotel, was a genuine man of the match.

When something especially الفرص was wanted, a New Zealand or French back would punt the ball skyward and everybody would maul about, noses in the air — "looking for the space shuttle," a disgusted spectator called it.

The French tried harder. In the final seconds they were only one point down, 10-9. "It could have gone either way," remarked their captain, Robert Papearmehde. "I need a few days to sort it out. Did they win or did we lose?"

Hewson opened the scoring with a penalty in the second minute after Lorier landed offside at the game's first lineout. The 6-foot-6 Grenoble fireman jumped for nothing most of the afternoon opposite New Zealand's more experienced locks, Andy Haden and Gary Whetton.

In the 28th minute, French scrumhalf Pierre Berbezic, 5-foot-7 and 154 pounds, found himself alone facing a charge by All Black

flanker Mark Shaw, 6-foot-3 and 210 pounds. Bulldog Shaw's knee came up high at the smallest man on the field, darted a frontal tackle. Welsh referee Clive Norling threatened to expel Shaw, and flyhalf Guy Laporte evened the score with a penalty.

Lorier and Diniants led a surge that put France in scoring position at a scrum on the New Zealand 22 in the 30th minute. Laporte's drop was on target but the wind held it up like plastic sheeting. By halftime that wind had died, so the French would get no help from it after the turnaround.

The scrum that resulted in Wilson's try was an insistent French gift. First the backs failed to cope with one of those howitzerlike punts, this one by Jamie Salmon, an English-born center who settled in New Zealand in 1979 — and Mourie almost had it.

Wizards

Then fullback Serge Gabernet dropped out with the rugby equivalent of a line drive, which bounced back off a surprised Haden. The French intention was to confuse the All Black forwards, but eager French forwards set out outside and Norling called everybody back for the scrum that would make the difference.

On the try, Lovierge's wizardry left flashy French wing Serge Blanco flat-footed. Only Gabernet got a late hand on Wilson that time.

Later, from a lineout, Hewson dropped a goal.

Jomial finally began winning the ball at the back of short lineouts.

Norling — who infuriated the crowd by twice penalizing France for collapsing the scrum at times when a French score looked likely — inscrutably ruled agains New Zealand at a collapsed scrum, and Laporte's penalty made it 10-6 at half time.

Gabernet narrowed the gap to a single point with drop 17 minutes into the second half. Now it was time for the Mourie machine to score, and it was an encouraging feat for the French to prevent for more than half an hour.

Twice the French were upset when Norling penalized Berbezic's put-in at scrum. An over-eager late tackle on right wing Michel Fabre by center Arthur Stone ignited tempers that the teams had done well to control until then.

The French held on. But as a final gift, lock Daniel Revallier failed to release a ball that the All Blacks had lost at their own lineout, and Hewson floated the penalty high and true: 13-9 in the 40th minute. Norling could have allowed at least two more minutes to make up for injury stoppages, but the war had gone on long enough for him. He blew his whistle for a weeklong armistice.

Australians Beat Ulster

BELFAST (Reuters) — Australia had unexpected trouble beating Ulster Saturday, 12-6. The first test

